

Weekend

Gripped by the terror of time

Crusader unmasked: The 'real' face of justice stands up

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FINANCIAL TIMES

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Weekend

Shakespeare talks: What's so good about verse-speak?

On the prowl: Game tracking in the Serengeti

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Rival forces LVMH into full Gucci bid

White knight's move sparks day of twists

By Alice Rawsthorn in London and Samer Iskandar in Paris

The battle for Gucci, one of the hottest fashion labels of the 1990s, took dramatic new twists yesterday.

Early in the day, French industrialist François Pinault emerged as a white knight, with an agreed offer for a 40 per cent stake. Rival luxury goods group LVMH, which had been hoping to gain control of Gucci with a 34.4 per cent stake, responded hours later by making a full bid.

LVMH's offer of \$85 cash for each share values Gucci at \$5.07bn. The Gucci board, which has been at loggerheads for months with Bernard Arnault, the LVMH chairman, will meet tomorrow to decide whether to accept it.

Gucci's shares were already up \$3.10, or 4.85 per cent, to \$67 in Amsterdam following an announcement that Pinault-Printemps-Redoute (PPR), a retail group controlled by Mr Pinault, was offering \$75 each for 39m new shares, worth a total of \$2.9bn. The offer, orchestrated by Morgan Stanley, which advises both Gucci and Mr Pinault, was

intended to block LVMH. It has been trying to influence Gucci's affairs since purchasing 30m Gucci shares (then 34.4 per cent of the equity) for \$1.4bn. The Pinault offer threatened to dilute that stake to 21 per cent.

Mr Pinault also announced yesterday that he had agreed to acquire the beauty business belonging to Sanofi, the French pharmaceuticals group, for FF6bn (\$1bn), including FF1bn debt. He intends to buy that business, including the Yves Saint Laurent, his private company, and then sell it to Gucci for the same price. LVMH tried to buy it from Sanofi last autumn, but could not agree terms.

Gucci hailed the beauty acquisition as the first step towards building a portfolio of luxury brands, which could be revitalised by its management team, led by Domenico De Sole, president, and Tom Ford, chief designer.

Early yesterday afternoon, Mr De Sole described his response to the Pinault accord as "absolutely ecstatic". He added: "Our people in Italy went ballistic with joy at the news. I've been taking insults from them [LVMH] for three

months, and just want to go back to running the business."

An hour later, he received a letter from Mr Arnault making a formal offer to acquire 100 per cent of Gucci. Advised by Goldman Sachs and ABN Amro, LVMH had previously rebuffed the Gucci board's efforts to elicit a bid for full control.

LVMH did not disclose the value of its offer, but it is understood to be \$85 in cash. Gucci's shares were worth \$55.81 before Mr Arnault's offer. LVMH owned more than 5 per cent of its equity in early January.

Mr Arnault's offer is conditional on the Gucci board's agreeing to abandon the \$2.9bn share issue to PPR and the informal agreement to buy the Sanofi beauty brands. Artemis said that, whatever happens, it will proceed with the Sanofi purchase.

LVMH is hopeful that, if its offer is accepted by Gucci, Mr De Sole and Mr Ford will stay. The two men could claim hefty "golden parachute" payments. Mr De Sole's compensation alone is estimated at \$30m.

Wolf in cashmere clothing, Page 24
Lax, Page 25



Online art sale causes buzz

An oil painting claimed to be by Paul Gauguin and said by its owner to be worth more than \$20m is to be sold on the internet, creating electricity in the world

of e-commerce. But the planned auction of "Vue du Port de la Martinique" has split art experts, some of whom are convinced the work is a fake.

Schröder pledge on Santer replacement

By James Blyth in Rome, Peter Norman in Bonn and Michael Smith in Brussels

Gerhard Schröder, the German chancellor, promised yesterday to propose a new president for the crisis-struck European Commission in the near future, as Romano Prodi, the former Italian prime minister, put himself forward for the job.

Germany, which currently holds the presidency of the European Union, is also keen to appoint a new commission to serve for more than the full term of five years, to replace the present 20-strong team, which resigned en masse on Monday.

The new commission would be nominated for the rest of the year on the expectation of being renominated for the next five, said top German officials.

Such a decision might scupper the chances of senior commissioners, such as Sir Leon Brittan, the British vice-president, and Karel Van Miert, the Belgian competition commissioner, from being reappointed for the rest of the year. It also means Jacques Santer, the outgoing president, may have less than a month to serve in a caretaker capacity.

A procedure for replacing the present commissioners, who quit after being jointly criticised for lax management in a report by independent auditors, is to be

thrashed out by a full EU summit in Berlin next week.

"We are seeking a quick solution," said Mr Schröder, on a whistle-stop tour of EU capitals to consult fellow leaders. If a decision on the new president was not reached in Berlin, another summit would be held "right after".

The European parliament, whose campaign against corruption and mismanagement in the Commission precipitated the mass resignation, is calling for a nomination by its April 12-15 session, so that he or she can be formally approved.

If that is done, an entire new commission could be approved by the parliament at its session in the first week of May, before it is disbanded to fight new European elections in June.

The crisis has galvanised the EU member states into action, not merely on seeking a new president but on reaching agreement on their Agenda 2000 package of financing and farm reforms.

Meanwhile, Mr Prodi announced yesterday that he would accept the post of commissioner if he were offered a full mandate lasting five years.

Pledge to find new commissioner, page 2; Man in the news, Page 5; Earthquake in Europe, Page 8

Libya says Lockerbie suspects will soon be handed over for trial

By Mark Hubbard in Cairo

Libya has agreed to hand over for trial two men accused of the Lockerbie airliner bombing by April 6, Nelson Mandela, the South African president, said yesterday after talks in Tripoli with Colonel Muammar Gaddafi, the Libyan leader.

Col Gaddafi told a meeting of Libya's General People's Congress that Mr Mandela and Prince Bandar bin Sultan ibn

Abdul Aziz, Saudi Arabian ambassador to the US - who have been leading negotiations between Libya, the US, Britain and the United Nations - had secured all the guarantees Libya had been demanding in return for delivering the two men for trial.

An agreement would pave the way for an end to United Nations sanctions on Libya.

The two suspects, Abdel Basset Ali el-Megrahi and Al-Amin

Khalifa Fhimah, are due to be handed over to the United Nations for trial under Scottish law in the Netherlands.

"They are accused of planting the bomb on a PanAm Boeing 747 that exploded on December 21, 1988, over Lockerbie in Scotland, killing 259 passengers and crew and 11 people on the ground."

The US and Britain each reacted cautiously to the announcement, saying they would be satisfied only once the

two men were in the hands of the UN.

Robin Cook, UK foreign secretary, said: "We will not drop our guard until the two men land in the Netherlands. I'm not going to breathe a sigh of relief until that happens."

Britain is awaiting written confirmation to Kofi Annan, UN secretary-general, that the Libyan decision is genuine. Once the two men are in UN custody the UN Security Council will vote to sus-

pend the sanctions imposed on Libya in 1992 and tightened in 1993.

If after 90 days the Security Council is satisfied that Libya has fully complied with UN resolutions demanding that the two men be sent for trial, the sanctions will be lifted.

In his hour-long speech yesterday, Col Gaddafi said: "It was enough for me that [President] Mandela, [Saudi] King Fahd and [Saudi Crown] Prince Abdullah

have given me all the guarantees and asked me to leave them free to act."

It was left to Mr Mandela to announce the date by which the suspects were due to have been transported to the Netherlands on a UN aircraft on standby in Italy.

The two will be tried by three Scottish judges under Scottish law at a converted US air base in the Netherlands. If found guilty they will serve prison sentences

in the top security wing of Glasgow's Barlinnie prison in Scotland, under UN supervision.

The charges followed the discovery in 1990 of traces of the explosive Semtex and fragments of an electronic detonator in the wreckage of the aircraft. Clothing fibres were traced to Malta.

A spokesman for the families of the 270 people who died in the bombing welcomed the Libyan decision.

Monitors to quit Kosovo today

The entire Kosovo international monitoring mission is to leave the Serbian province early today, clearing the way for possible Nato air strikes after the breakdown of peace talks in Paris. There are fears that the departures may allow an opportunity for Serbs to attack ethnic Albanian rebels. Europe, Page 2

China fires 'incompetent' bank managers
China's big state-owned commercial banks have dismissed dozens of managers for incompetence and irregularities that led to an increase in bad debts. This follows an investigation by the country's central bank into bad debts at 50 branches of state banks. International, Page 3

Balloonists near the finishing line
Bertrand Picard, 41, the Swiss pilot of the Breitling Orbiter craft, and Brian Jones, 51, his British co-pilot, are on track to become the first people to circumnavigate the earth non-stop in a hot air balloon. International, Page 4

Euthanasia advert sparks outcry
An advertisement on Australian television in which a terminally ill woman demanded the right to euthanasia has sparked huge debate and controversy about this sensitive issue with critics saying the screening exceeded all moral boundaries. Page 9

Bob Dole, ED and Viagra

The advertising of prescription drugs directly to consumers, permitted in the US for the past 18 months, has got Americans popping pills in record numbers. Health ministers elsewhere beware.

Page 9

UniCredito set for merger offer

UniCredito Italiano, Italy's largest bank in terms of market capitalisation, is poised to make a merger offer to Banca Commerciale Italiana, its Milan rival. Page 25

Motorola backing for troubled Iridium
Motorola, the US telecommunications group, has pledged financial support for the troubled hand-held satellite phone group Iridium, in which it has a holding. Page 25

European markets helped by the Dow's 10,000

European bourses ended the week on a strong note with the help of Wall Street's initial surge above 10,000. At the close, the transnational FTSE Eurotop 300 index gained 15.67, or 1.3 per cent, to 1,258.1 while the Paris and Frankfurt markets were both up by around 1.6 per cent. Bonds, Page 10; Currencies, Page 11; World stocks, Page 22; London stocks, Page 18; Weekend FT, Pages XXIV, XXV; Editorial Comment, Page 5

Travel agents face long haul to new business
Travel agents are having to reinvent themselves as pressure from airlines is affecting trade from business clients. Page 9

Bill Gates on Business

Home is where the Internet is
Today: Page 7
Coping with an era of change
Monday's FT
Exclusive extracts from his new book

FT.com: the FT web site provides updated news and an online archive of back articles at <http://www.FT.com>

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WORLD NEWS

Monitors to quit Kosovo as talks end

By Guy Dinmore in Belgrade and Richard Wolff in Washington

The entire Kosovo international monitoring mission is to leave the Serbian province early today, clearing the way for possible Nato air strikes after the breakdown of peace talks in Paris.

Observers in Belgrade, however, feared yesterday that the departure of observers could equally encourage President Slobodan Milosevic to launch a last offensive against ethnic Albanian rebels.

In a sign of Nato's belief

that it has grounds to act quickly, Gen Wesley Clark, the Nato supreme commander in Europe, said there was clear evidence of another humanitarian tragedy taking place in Kosovo, due solely to Yugoslav military activity.

Gen Clark said more than 80,000 ethnic Albanian civilians had been displaced since December and there was "a severe crisis under way now, caused entirely by an escalation of Serbian military and police activity".

Diplomats in Belgrade said the year-old war in Kosovo was entering its final stage,

with Nato's credibility and the political survival of the Yugoslav president at stake.

"This is a huge game of poker, with bluff and counter-bluff," said one ambassador. "We have to make them believe we are going to bomb and they have to make us believe they will create a regional conflict."

In Washington, President Bill Clinton came under concerted pressure to justify US involvement in a "robust and serious" bombing campaign against Serbian targets. Congressional leaders met the president in the White House to voice their

concerns about the long-term goals of US action. The US Congress is expected to vote on a resolution on military action early next week.

The Organisation for Security and Co-operation in Europe (OSCE) ordered all its 1,380 unarmed observers to leave in a convoy of over 350 vehicles.

Senior Serbian officials gave assurances of their safe passage, but their route to the border with Macedonia takes them via tunnels and bridges in the Kacanik gorge wired with explosives by Serbian forces.

Hubert Védrine, France's foreign minister, and Robin Cook, his British counterpart, called off the second round of peace talks in Paris after a final session with the Serbian delegation yesterday morning showed no sign of movement.

The Kosovo Albanians signed an accord on Thursday but the Serbs rejected the political text and refused to discuss plans for a 28,000-strong Nato peacekeeping force to implement the deal, which would give the province wide-ranging autonomy. Western governments decided at the last moment

not to set a deadline for the Serbs to sign the accord in order to increase the level of uncertainty and pressure on Belgrade.

Gen Clark and British Gen Michael Jackson, the leader of the proposed peacekeeping force, met in Macedonia on Thursday to discuss how to limit "collateral damage" in strikes against Serbian military targets inside Kosovo, US sources said.

Nato has some 10,000 troops in Macedonia, ready to cross the border into Kosovo if Mr Milosevic relents and agrees to the implementation force.

NEWS DIGEST

RUSSIAN POWER STRUGGLE

Primakov 'vows to resign' if ministers forced out

Russian Communist party leaders yesterday claimed that Yevgeny Primakov, the prime minister, had promised to resign if President Boris Yeltsin forces two prominent left-wing ministers out of his cabinet - as has been widely rumoured.

According to the Communist leaders, Mr Primakov told them he would not tolerate the dismissal of Yuri Maslyukov, the first deputy prime minister, or Gennady Kulik, the vice-prime minister in charge of agriculture - even though both ministers have been dogged by allegations of corruption. "I have my limits and the administration knows about them. If Maslyukov and Kulik leave, then so will I," Mr Primakov was quoted as saying. "I consider that they are working well."

The prime minister's office did not comment on the authenticity of Mr Primakov's reported remarks. But unlike all previous post-Soviet prime ministers, Mr Primakov has made great efforts to court the Communist party, which forms the biggest parliamentary faction.

After the meeting, Gennady Zyuganov, the Communist party leader, repeated his support for Mr Primakov's government and his condemnation of Mr Yeltsin. "One of our main conditions is the removal of the president," he said, John Thornhill, Moscow

GERMAN POLITICS

Progress on tax, citizenship

Germany's coalition government of Social Democrats and environmentalist Greens yesterday ended a difficult week with progress on two of its election pledges.

The Bundesrat or upper house of parliament approved a central part of the government's tax reform package, while the Bundestag, the lower house, held the first reading on the coalition's diluted plans to reform nationality laws.

The fiscal reforms, fiercely opposed by much of German industry, open the way for a three-stage cut in personal income taxes from this year. The measures are accompanied by reforms to cut taxes on small and medium-sized companies. The reduced revenues are being compensated for by reductions in a variety of exemptions for big companies, insurers and utilities. Some large groups had threatened to move their operations abroad in reaction to the planned fiscal changes. Additionally, there will be new or increased levies on fuel and energy. The savings will be used to cut individuals' and employers' contributions to the state pension scheme.

The revised nationality laws will allow children of foreign nationals the right to German citizenship: the offspring cannot, however, retain dual nationality and must choose between German or their original nationality by the age of 23. Haig Simonian, Bonn

INDIA-PAKISTAN RELATIONS

'Road map' of talks agreed

The foreign ministers of India and Pakistan yesterday announced a "road map" of future bilateral talks beginning in May, while agreeing to relax visa restrictions between the two countries. The two, speaking in the wings of a South Asian regional ministerial meeting in Nuwara Eliya, a Sri Lankan hill resort, said both moves were designed to carry forward the political good will created by a summit last month in Lahore.

Jaswant Singh, India's foreign minister, and Sartaj Aziz, his Pakistani counterpart, issued a joint statement fleshing out a timetable for "intensified" bilateral talks that were promised but left unspecified, in Lahore. They said senior officials would meet in Delhi and Islamabad in May and June to continue talks on nuclear security, Jammu and Kashmir, and a range of specific bilateral irritants. The two foreign ministers would meet in June to review progress. Mark Nicholson, South Asia Correspondent

THAI PROPERTY LAWS

Land measures approved

Thailand's Senate yesterday approved legislation that would widen the opportunities for foreign investors to own and lease land in the country, measures seen as politically controversial but which could help alleviate the severe slump in the property market.

Foreigners who bring in at least \$140m (\$1.07m) will be allowed to own one plot of land no bigger than 1,600 square metres, although foreign ownership of coastal land is still prohibited. In the past, foreign individuals have been completely barred from owning land in Thailand.

Another measure increases the land lease period to 50 years from 30 years for both Thais and foreigners and allows lease contracts to be automatically renewed for another 50 years. Land lease contracts will also be available to be offered as loan collateral.

Foreign property investors say these two moves - extension of the lease period and allowing leases to be used as loan collateral - will make leasing more attractive as a vehicle for investing in commercial and industrial property in Thailand. Ted Bardecke, Bangkok

JAPANESE CAR PRODUCTION

Sluggish demand hits output

Four of Japan's five leading carmakers said yesterday they produced fewer vehicles in February compared with a year earlier, amid continued sluggish consumer demand due to Japan's prolonged economic slump.

Toyota Motor said domestic production dropped 11.1 per cent in February from a year earlier while exports fell 5.3 per cent. Nissan Motor said domestic production dropped 9.9 per cent in February while exports grew 2.8 per cent. Mitsubishi Motor said domestic production was unchanged in February from a year earlier as domestic sales edged up 3.2 per cent. But exports dropped 25.7 per cent on a plunge in shipments to Asia. Honda Motor said domestic production dropped 6.6 per cent despite domestic sales growth of 6.4 per cent. Exports dipped 1.9 per cent while overseas output for Honda grew 9.8 per cent. AP-Dow Jones, Tokyo

VLADIKAVKAZ BOMB

More than 50 killed

More than 50 people were killed and a further 100 injured when a bomb exploded yesterday in a street market in the southern Russian city of Vladikavkaz. Senior Russian officials flew to the city to investigate, as Yevgeny Primakov, the prime minister, sent a telegram expressing his "deep sorrow" for the victims to Alexander Dzasokhov, head of the local government.

No group had last night claimed responsibility for the action in Vladikavkaz, which is the capital of North Ossetia, adjacent to the troubled breakaway region of Chechnya. The incident is the latest in a series since the collapse of the Soviet Union. Andrew Jack, Moscow

Italy forecasts lower growth

By James Blitz in Rome

The Italian government yesterday revised its growth and deficit forecasts for 1999, predicting that the economy would grow by 1.5 per cent this year and that the budget deficit would be 2.4 per cent of gross domestic product.

In the biggest indication yet that Italy is failing to meet the budget stabilisation targets that it pledged to its partners in European monetary union a year ago, the government made it clear it could not now meet the goal of a 2 per cent budget deficit to GDP ratio this year.

In a formal revision of its stabilisation plan, the Italian treasury acknowledged that it would fail to make as much progress as it had initially hoped in reducing Italy's debt mountain, by far the largest in value terms in the euro-zone.

The treasury envisages that Italy's debt will fall to 116.9 per cent of GDP this year, as opposed to the target it had originally pledged of 114.8 per cent.

The treasury also announced that it intended to rely far more heavily on the fall in interest rates, and the consequent reduction in the costs of servicing Italy's debt, to ensure it met the new budget deficit target.

Italy had originally pledged that it would have a primary surplus (the difference between income and expenditure excluding interest payments) this year of 5.5 per cent. It now promises a primary surplus of just 4.5 per cent, indicating that reduced interest payments will make up for reduced tax receipts.

The treasury said the revised forecasts "would not compromise the objectives fixed in the stability and growth pact that require Italy to bring its deficit down to 1 per cent of GDP by 2001".

The main concern of economic analysts will be whether the 1.5 per cent growth target can actually be met, with obvious consequences for the fiscal goals. Earlier this week, the International Monetary Fund said achieving 1.5 per cent growth in 1999 "would still require a marked acceleration of the economy during the second half of the year". It said the target had "significant downside risks", including the possibility that an external demand shock could further damage the export sector. Consumer confidence could also fall back if growth were insufficient to sustain the current level of employment.

Sweden to urge more EU transparency

By Tim Burt in Stockholm

The Swedish government will tomorrow urge European Union foreign ministers to embrace concrete measures to increase transparency and public access to information in the European Commission.

Anna Lindh, the country's foreign minister, hopes to persuade Brussels to adopt Swedish-style freedom of information policies to counteract accusations of secrecy and fraud.

The move follows a concerted campaign by Sweden - supported by Nordic neighbours Denmark and Finland - to increase transparency. The Swedish government, which has been seeking greater openness in Commission affairs since joining the EU in 1995, believes such an initiative would help restore confidence in EU institutions following the resignation of all 20 commissioners earlier this week.

"We believe something positive can come out of this crisis," Ms Lindh said. "Now is the time to increase information and transparency instead of the opposite."

Under the Swedish proposals, all Commission documents, departmental minutes, invoices and official mail would be recorded on a public register and would be available for scrutiny.

In addition, the threat of suspension or dismissal

would be removed for officials who leaked information that failed to appear on such a register.

Ms Lindh, who intends to raise the Swedish initiative at a meeting of foreign ministers in Brussels over the next two days, wants the issue to be included in any resolution emerging from next week's summit of EU leaders in Berlin.

The proposal is closely modelled on Swedish policies, in which ordinary citizens can obtain copies of official documents and even read the prime minister's mail. "It is very important to have a register to see all the incoming documents and letters," said Ms Lindh. "We would like to see this implemented at the Commission as soon as possible."

Earlier this year, Jacques Santer, the outgoing Commission president, was involved in a diplomatic dispute with Göran Persson, the Swedish prime minister, over the availability of such documents. Mr Santer expressed dismay that a private letter to Mr Persson found its way into the public domain, in which he rebuked the Swedish prime minister for criticising the Commission. In the letter, entered on the public register, Mr Santer wrote: "I really feel that statements like the one you made without checking the facts with the accused party hurt the European Union."

Anglo-Saxon crisis in a continental culture

By Emma Tucker in Brussels, Tim Burt in Stockholm and David White in Madrid

An Anglo-Saxon crisis hitting a continental culture: that was how one European Commission official described the events that unfolded in Brussels this week.

But while the report into fraud, mismanagement and nepotism at the European Union's executive did not draw a divide between north and south - the most tainted commissioners were from the north - reaction to the report had by yesterday fallen either side of the EU's geographical fault line.

"I have heard the word Calvinist rather a lot this week," said one British *fonctionnaire*.

That said, there was widespread disgust at the defiance of Edith Cresson, the disgraced French commissioner. The report exposed her for having secured a well-paid job for her dentist friend but she "had no regrets". Nor did she intend to quit her post immediately.

"She personified a culture of cronyism and her refusal to go highlighted a culture of unaccountability," said one official. Mrs Cresson's haughty defiance was in sharp contrast to the almost immediate announcement by Anita Gradin, the Swedish commissioner, that she would resign and not seek re-nomination for the lesser misdeeds of having lost her grip on the Commission's fraud busting unit.

Top of the class
Number of 'A' class officials on European Commission by nationality

Austria	122
Belgium	570
Germany	636
Denmark	155
Spain	638
France	798
Finland	116
UK	594
Greece	293
Italy	632
Ireland	157
Luxembourg	42
Netherlands	268
Portugal	215
Sweden	165
Total	6,222

Source: European Commission

The French government did not leap to the defence of Mrs Cresson but was nonetheless relieved that the whole Commission resigned. Its muted response contrasted sharply with the unmistakable glee of Spanish officials that northern commissioners - among them Mrs Gradin, the German Monika Wulf-Mathies and the Finnish Erkki Liikanen - had been singled out by the report.

The Italians too, sensitive to 'Garlic Belt' stereotyping, were quick to point out that their two commissioners - Mario Monti and Emma Bonino - were unscathed by the report.

But even if the criticism of the experts was on balance directed towards commissioners from the north, its probing nature was unmistakably Protestant.

"This was the culture of ministerial responsibility hitting the continental culture of consensus, which has always been less able to shift politicians or make dramatic changes," said a diplomat.

Some of those officials steeped in the south's consensual culture resent the apparent imposition of northern cultural values for prejudice as they call them on the workings of the EU executive. As they see it, politicians should be judged on results, and not on how the results are achieved, even if this does involve a bit of cronyism along the way.

The Spanish newspaper *El País* pointed out that while fraud and nepotism cases in the Commission were significant in themselves, they were "minimal" compared with what was done in member countries with EU funds.

The Catholic south scoffs at the sort of prurient probes that took President Bill Clinton to task, and expects its politicians to only be human.

"There is a risk that these Protestant values will lead to such an obsession that whether politicians are squeaky clean and do not have a love child will start to matter more than the results they produce," said an official.

Nevertheless, southerners in the Commission acknowledge which way the wind is blowing. "The Scandinavians have made issues such as transparency much more important, but this is a good thing," said an Italian.

Rural changes worry Finnish voters

By Nicholas George in Oulu, Finland

"We have to look after the people who live here," implores Markku Koski in his speech to supporters packed into the small wooden sports hall in the town of Kärsämäki in central Finland.

Mr Koski, a farmer, is a Centre party candidate seeking re-election to the Finnish parliament in tomorrow's general election. Here, 500km north of Helsinki, he is in the party's stronghold.

His speech ranges over issues familiar to the audience. Unemployment, depopulation, the lack of regional

policy, and an ever shrinking local tax base. The five-party coalition government in Helsinki has ignored the needs of the people outside the big cities. This has to change, he insists.

He ends to polite applause, to be followed on stage by a young woman who performs a short modern dance in front of the rows of orange and green plastic chairs. The evening is part political rally, part local talent festival, and each speech is followed by a recitation from local authors, a male voice choir or a coffee break.

This small celebration of close-knit community is played out in a region where

the young and skilled are increasingly being lured away from the countryside and the north, concentrating prosperity in the cities.

Unemployment reached 35 per cent in some of the small towns and villages in the province and local councils face growing demands on healthcare and services from the ageing population at a time when the local tax base is disappearing.

Now the backbone of rural life - agriculture - is also under threat. Proposed reforms to the European Union's agriculture policy are seen as further pressure on small farms in a region where growing seasons are

short. Snow covers the ground from October to late April.

At the last election, the Centre party took nine of the 18 parliamentary seats in the province, which stretches over 60,000 sq km from the Baltic in the west to the Russian border and has a population of 450,000. Opinion polls show Centre slightly ahead of the Conservative party and the Social Democrats, but with all three polling in the low to mid-20s another coalition government is expected.

In Oulu, Matti Pikkari, a Lutheran priest and Centre party candidate, describes the dual trend of

unemployment and depopulation as a "catastrophe for the region".

The sharp smell from the papermill chimneys still hangs over Oulu, but the city is also a symbol of the future for the region. Nokia, the world's leading producer of mobile telephones, and the high-tech sector it leads, now account for about 10,000 jobs in the area.

"Growth has divided our country," said Mr Pikkari. "There are the people able to do the high-tech jobs and they are the modern Finland, but those who are part of the chimney society [traditional industries] they are just thrown away."

Tennis academy plan for little Nasties

By Joe Cook in Bucharest

It is 15 years since Romania's Ilie Nastase played his last professional tennis match, winning the 1984 French Open at the age of 37, but the man nicknamed "Nasty" for his tempestuous glamour on the tennis courts has kept his competitive spirit.

At his spacious villa in one of Bucharest's smarter neighbourhoods, the still lean Mr Nastase rolls the dice across the backgammon board. "I'm going to kill him," he says, grinning at his friend and business associate of 30 years, Ion Sreben. Sure enough, he cleared the board and pocketed the wad of banknotes lying on the table before unrolling the blueprint for his new venture - a \$12m lakeside tennis academy-cum-residential development in Bucharest's leafy diplomatic quarter.

Mr Nastase is no stranger to the world of business. He has the exclusive rights to import and distribute Fiat-

gio motor cycles and Diadora sports clothing in Romania, owns a sports bar in the northern Romanian city of Cluj, and is about to enter the rag trade with his own "Nasty" label of casual clothing. But he insists the idea behind his proposed tennis academy is the revival of Romanian tennis.

"In Romania, youngsters don't have a chance to train because the sport is not organised like it used to be," he said. "It costs about \$80,000 a year to properly coach a promising junior who needs to travel, and Romanian tennis is very poor. With this project we can provide a chance for young players."

As president of the Romanian Tennis Federation, Mr Nastase is acutely aware of the sport's desperate state. There are very few indoor tennis courts in Romania, and existing facilities are in poor condition. He hopes to change that.

When built, the tennis complex will have three

indoor courts, three outdoor courts, three squash courts, a health and fitness club, swimming pool, jogging park and soccer pitch on its 3.5 hectare site. The tennis academy, says Mr Nastase, will be run as a not-for-profit organisation.

"Tennis comes first," he said. "But I want to get the money back." Health club member fees and rents from the complex's 13 villas and 38 apartments "will make the money to subsidise the tennis facilities for youngsters".

His advisers on the project, Evanston Capital, a Bucharest consultancy, have structured the project as a joint venture. Mr Nastase will hold 51 per cent. Bucharest municipalities Voinita Tennis Club will hold 5 per cent in return for contributing the land, and the remaining 44 per cent will be offered to private investors. Construction is expected to take 18 months.

In the meantime, the irrepressible Mr Nastase plans



Ilie Nastase during a 1997 Seniors tennis tournament in London. AP

to run for the presidency of the International Tennis Federation when it holds its first elections for the post in July. He is no stranger to elections. In 1996 he was persuaded, against his better judgment, to run for mayor of Bucharest by the then ruling Romanian Social Demo-

cratic party, led by Ion Iliescu, a former Communist. The winner of 57 professional tennis tournaments is reluctant to talk about this particular contest, which he lost. "Unfortunately, it wasn't the best experience," he says - stopping short of calling it nasty.

banks
managers

Steel quota mo

China banks fire managers

By James Harding in Shanghai

China's big state-owned commercial banks have dismissed dozens of managers for incompetence and irregularities that led to an increase in bad debts.

The People's Bank of China, the central bank, launched an inspection at the end of last year into 50 branches of the state banks where there had been sharp increases in bad debts. They found serious problems, the official Financial News reported yesterday.

These included "chaotic" internal management, "blind" lending, falsifying non-performing loan data, severe deterioration of duty and "fraud for self-interest".

China's big four state banks are technically insolvent, burdened by a stack of bad loans created by the combination of government-directed lending, commercial incompetence and management cronyism.

The dismissals reported yesterday are part of China's efforts to sort out its financial sector. Managers at state banks have built up local fiefdoms, safe in the knowledge that it was rare to be sacked for incompetence.

This month, Dai Xianglong, the central bank governor, underlined the continuing struggle the banks are facing in trying to rein

in their non-performing loans. He said, "Owing to the unsatisfactory performance of state-owned enterprises, the trend of increasing non-performing loans has not been checked."

Mr Dai offered an unusually modest estimate of the extent of the problem, suggesting that only about 10 per cent of the banks' loans were "unrecoverable". He has previously suggested the non-performing loan ratio was 20-25 per cent, while international economists suggest China's banking system has combined bad debts of \$200bn - about 20 per cent of gross domestic product.

The misdemeanours by regional bank managers appear to have occurred at all of the big four banks. Yesterday's report said the Industrial and Commercial Bank of China punished 13 officials at eight branches. Two senior officials of one of the bank's Beijing branches were removed and stripped of their Communist party membership.

The Agricultural Bank of China punished 23 branch officials. The Bank of China "dealt with" 13 officials, while the China Construction Bank punished 17.

The central bank has imposed penalties on the people concerned and barred them from senior posts at any financial institutions.

Handover of Macao will boost relations

By Rahul Jacob in Macao

Relations between China and Portugal will be strengthened by the reversion of Macao to Chinese rule, Chinese and Portuguese leaders said yesterday.

The meeting in Macao between Portugal's President Jorge Sampaio and Qian Qichen, Chinese vice-premier, is the last meeting at such a high level before the tiny enclave reverts to Chinese administration on December 19 after 442 years of Portuguese rule.

Unlike the sometimes frosty negotiations between the UK and China before the handover of Hong Kong, the discussions between China and Portugal have been cordial. Mr Sampaio said yesterday both sides were determined to make the transition to Chinese rule "a model case for the whole world to see".

Mr Qian said the enclave had its "own characteristics" and "singularities", a nod to Portuguese concerns about the future of their language and culture in Macao.

Several issues remain. The Chinese want a larger say in deciding this year's budget in Macao, where the economy is in recession. The Portuguese are worried about the Chinese decision to keep a garrison of the People's Liberation Army in Macao after the handover.

The slow pace of localisation of the government is also an issue. Only one of the seven under-secretaries who constitute the most senior officials after the governor is a local. A report on Macao published this month says there is a need to create incentives and guarantees for some Portuguese civil servants to stay and work for the future government.

Portugal is also expected to seek legislation on human rights.

Vietnam trade deal with US uncertain

By Jonathan Birchall in Hanoi

Vietnam's efforts to reach a wide-ranging trade and investment agreement with Washington before the start of the US presidential election campaign are looking increasingly uncertain after the conclusion of the latest round of trade negotiations between the two countries.

An agreement would give Vietnam Normal Trade Relations (NTR) status and reduce existing high US import duties. Last year, Vietnam's exports to the US were worth just over \$550m - about a quarter of the value of Vietnamese exports to the European Union.

Negotiations began soon after the Clinton administration normalised trade relations with Hanoi in 1995. The American side has been seeking a deal that would reduce barriers to trade and investment in Vietnam. It would be in line with Vietnam's current efforts to join the World Trade Organisation, US officials say.

But Vietnam's communist government is wary of relinquishing controls on trade and foreign investment, exposing its inefficient state-owned sector to increased foreign competition.

US officials say a trade agreement with politically sensitive Vietnam would have to be reached by this summer to have a chance of getting congressional approval before the start of the 2000 election campaign. However, after a week of talks in Hanoi, US trade officials say a number of difficult issues remain, including Vietnam's import tariff schedule and investment access in crucial areas such as telecommunications.

Any trade deal would face strong resistance in Washington from US war veterans and anti-communist Vietnamese Americans.

Anti-WTO feeling on the increase in China

By James Kynge in Beijing

Opposition to China's proposed entry into the World Trade Organisation is building in Beijing's ministries and government think-tanks just days after Zhu Rongji, the premier, said the country would make the "biggest concessions" to become a WTO member.

One focus of the opposition is a lengthy report published by Tunnel, a dissident Chinese-language magazine distributed by e-mail, which lambasts the idea of China's

entry into the WTO in the strongest terms. It was not clear who wrote the Tunnel report, but some government officials and several members of top state think-tanks said they agreed with its sentiments.

"It could be any number of officials in ministries or think-tanks," said the head of one prominent state research centre in Beijing. "This is actually what most of us believe."

An official in one powerful government ministry said: "Only the trade ministry

wants to join the WTO. The rest of us are against it."

Such opposition contrasted with Mr Zhu's assurances at a news conference this week about his desire to join the WTO. The premier, who will visit the US next month, specifically promised greater market access to foreign banks and to China's telecommunications sector.

The US and China are engaged in intensive negotiations to find common ground on a WTO deal in time for Mr Zhu's visit. Both sides have reported impor-

tant progress but have also said the gap remains wide.

The talks have been further complicated by accusations that China stole nuclear secrets from a US laboratory, renewed scrutiny over high-technology exports to China and a bulging US trade deficit. According to figures this week, China replaced Japan for the first time in January as the biggest source of the US trade imbalance.

The US Commerce Department said that \$4.88bn of its \$16.99bn January deficit

came from trade with China. China disputes the size of the deficit, saying its surplus with the US in January was just \$1.27bn. Chinese officials also point out that many of their exports are from US companies operating in China.

The Tunnel article showed that despite the trade surplus, Mr Zhu and his cabinet are under considerable domestic pressure on the WTO issue.

"We cannot simply look at our export figures and lose our heads listening to the

praise of foreigners with ulterior motives," it said. "In fact, the time for China to dismantle her fences significantly is still a long way off."

It argued that China's vast and ailing state-owned enterprise sector would be unable to withstand competition from foreign multinationals. Transition periods, under which China would be allowed to open gradually various sectors of its market after WTO entry, were "suspended" death sentences, said the article.

Turkmenistan policy in a spin

Ashgabat wants a pipeline to carry its oil to the west but its president cannot decide on the best route, writes Charles Clover

Putting through the sky-line of Ashgabat, Turkmenistan, is a gigantic monument in the shape of the Eiffel Tower. It bears ornate runic inscriptions, a glass elevator up the middle and, on top, a solid gold statue of Sepurmurat Niyazov, the country's president, which rotates 360 degrees every 24 hours.

To most people, of course, the monument makes perfect sense. This is Turkmenistan's Monument to Neutrality.

And what better way to express the country's oft-stated commitment to non-alignment?

Mr Niyazov, his arms outstretched in greeting, begins his day facing south-east, towards neighbouring Afghanistan. By noon he is facing Iran, and by mid-afternoon, he is looking west, over the Caspian Sea and towards Azerbaijan, Georgia.

At about 7 in the evening, he faces Russia, then turns towards Kazakhstan, followed by Uzbekistan to the east and back to Afghanistan.

Each day, every one of Turkmenistan's neighbours has a chance to bask in Mr Niyazov's golden embrace. But the commitment to neutrality is increasingly difficult to maintain in a region such as central Asia, where the spheres of influence of

Russia, Iran, Turkey and the US increasingly collide.

Shell, the Netherlands-based oil company, has already found this out.

A year and a half ago, Turkmenistan had signed a deal to build a gas pipeline study for a gas pipeline that would transport Turkmenistan's prolific gas resources through Iran and on to Turkey and Europe.

As the route through Iran would invite sanctions from the US government, Shell offered to look at possible variations on the pipeline, such as one under the Caspian Sea to Azerbaijan, Georgia, and then Turkey.

Nonsense, it was told, the pipeline must go through Iran, one of neutral Turkmenistan's long-standing allies.

But Ashgabat's eagerness for the Iran project cooled after a visit by Mr Niyazov to Washington in April 1998 to meet US President Bill Clinton.

The US is keenly interested in developing oil and gas pipelines that avoid Iran and Russia, to keep central Asia free from their spheres of influence.

To this end, Mr Clinton promoted the concept of an east-west corridor of oil and gas pipelines starting in Kazakhstan and Turkmenistan, going under the Caspian Sea and on to Turkey via Azerbaijan and Georgia.

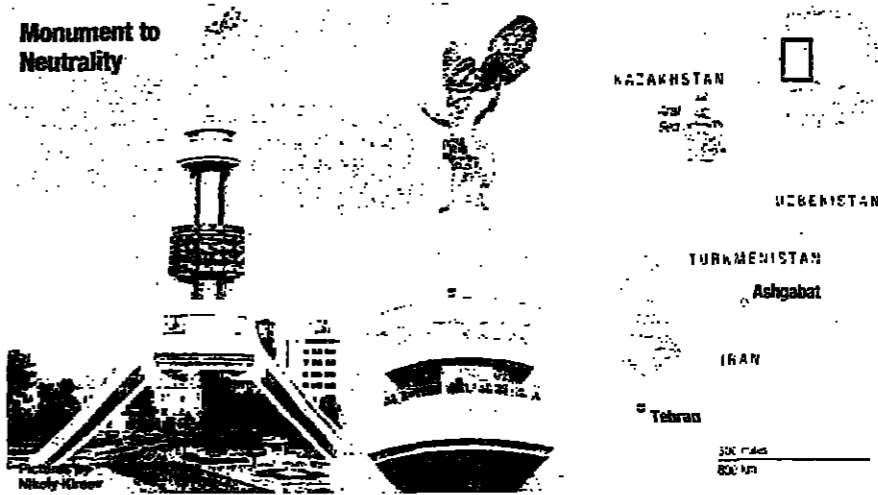
Stephen Sostanovich, US ambassador to the newly independent states and Russia, described the US goal in testimony last summer before the US Congress.

"We believe that a commercially viable east-west corridor ought to consist of a Baku-Ceyhan [Azerbaijan-Turkey] oil pipeline, a parallel gas pipeline to Turkish markets and beyond, and trans-Caspian gas and oil pipelines. Support for multiple pipeline routes... is as important as any other aspect of our policy for securing the economic sovereignty and independence of the Caspian Basin states," he said.

Shell was left with a lot of costings and drawings for its troubles. While in February, Turkmenistan signed a contract with PSG, a consortium of US companies General Electric and Bechtel, to design and build a trans-Caspian gas pipeline, instead of Shell's Iran variant. It is projected to cost \$2bn-\$4bn, and will eventually pump 20bn-30bn cubic metres (bcm) of gas to Turkey and European markets and beyond.

But the grand scheme of US policy still hinges on the Zeynep of Turkmenistan's foreign policy, which seems to follow the same arc as Mr Niyazov's statue.

Ashgabat, for example, has



changed its position on the status of the Caspian Sea at least three times in the last five years.

Until early 1997, it supported the position of Kazakhstan, Azerbaijan and the US government, that the Caspian Sea should be divided up among all five coastal states. This would leave Kazakhstan and Azerbaijan with the lion's share of the Caspian's prolific oil reserves.

In early 1997, however, Turkmenistan abruptly sided with Iran and Russia's position that the Caspian Sea is a common resource, thereby giving all five Caspian states a say in resource development. Then, late last year, Turkmenistan just as abruptly changed back.

What is still unclear is whether this is part of genuine strategy of Bismarckian Realpolitik or merely a tendency, noticed by one west-

ern diplomat, that "Mr Niyazov tends to agree with whoever he met last".

Several problems stand in the way of the trans-Caspian project, however. Already, Russia and Iran have objected to it on environmental grounds.

And Iran aims to saturate the Turkish gas market with its own gas, starting next year, while Russia has come out with a competing project, "Blue Stream", which would supply Turkey with gas via a pipeline under the Black Sea.

Meanwhile, Rem Vyakhirev, Gazprom's chairman, has made it clear that Turkmenistan's gas might well find another home.

In an interview with the Russian newspaper Nezavisimaya Gazeta last month, he implied that Russia should increase gas imports from Turkmenistan in the near future rather than develop

new gas fields in Russia. Turkmenistan used to supply the Soviet Union with 80bcm of gas a year, although its production was less than 30bcm last year because Russia has largely closed off its gas market to central Asia following the collapse of the USSR.

This could put Turkmenistan in the middle of a bidding war for its gas. And this is, quite likely, exactly where Mr Niyazov would like to be.

Like Egypt during the cold war, which got squadrons of fighter aircraft, a hydro-electric dam, and eventually, \$2bn a year in US foreign aid simply by switching sides at strategic moments, neutral Turkmenistan could just as easily profit from the increasing geopolitical competition in central Asia.

It all depends where Mr Niyazov will turn next.

Disease spreads to Singapore

By Stella McNulty in Singapore

An outbreak of Japanese encephalitis, suspected of killing 51 people in Malaysia, is believed to have spread to Singapore. A man who worked in a slaughterhouse that imported live pigs from Malaysia died yesterday.

Although it has not been confirmed, health authorities suspect he and another worker were infected with the virus, which is carried by pigs and spread to humans via mosquitoes.

Malaysians indicated yesterday another virus, in the Farang family, might also be circulating. It is spread through close contact with sick pigs.

Singapore immediately suspended the import of pigs from the north of the Malaysian state of Johor, which borders Singapore. The farms in Johor will only be able to supply 23 per cent of Singapore's usual needs, but demand for pork in the city-state - as in Malaysia - had already plunged and was expected to fall further.

Although the authorities insist the virus can only be spread through live pigs, the number of people willing to take that chance is shrinking as the epidemic grows.

The Malaysian opposition has criticised the government for waiting so long after the outbreak began in October to make a concerted effort to stop it.

Lim Kit Siang, parliamentary opposition leader, blamed it on the "culture of incompetence. They did not recognise the seriousness of this."

Mr Lim, whose constituency is the Chinese minority in Malaysia, has been urging more comprehensive action as the outbreak has spread.

The disease has mainly affected the Chinese, since the majority Malay ethnic group is Moslem and does not eat pork or work around pigs.

But it is bound to affect the rest of the population as mosquitoes cannot be confined.

Conditions around the farms have become increasingly unsanitary as many farmers have fled for their lives, abandoning their pigs to die of starvation.

The government decided to call in the armed forces yesterday to shoot tens of thousands of pigs in the affected areas. It also agreed to use helicopters to spray the affected areas to kill the mosquitoes.

Steel quota move angers Japan

By Alexandra Harney in Tokyo

Moves in the US Congress this week to establish quotas for steel imports have brought an angry response from Japan. Akira Chihaya, president of the Japan Iron and Steel Federation, called the bill passed by the House of Representatives on Wednesday "regrettable" and warned that it violated the principles of free trade.

The bill, which passed with an overwhelming majority, would hold steel imports to July 1997 levels for the next three years. It has yet to pass the Senate and its chances of enactment appear limited because the White House has repeatedly voiced its opposition.

The House vote follows a ruling by the Commerce Department imposing anti-

dumping tariffs of between 35 and 67 per cent on shipments of hot-rolled coil from Japan after US steelmakers complained that steel from Japan and four other countries was being sold below market cost and unfairly squeezing US producers.

Mr Chihaya, who is also president of Nippon Steel, the leading steelmaker, said the import restriction bill "is extremely regrettable as it will affect the stability and growth of the world economy."

The threat of dumping charges essentially halted Japanese hot-rolled coil shipments to the US, which rose nearly 300 per cent last year and helped support revenues in one of the worst years for the country's steelmakers.

Steel demand in Japan and Asia has collapsed with the

recession and economic crisis, falling from 102.8m tonnes last year to an estimated 80.5m tonnes in the fiscal year ending this month.

Although Japanese steel industry officials have accused the US industry of political manoeuvring, the problems in Japan's steel sector have become a political problem at home. Overcapacity in the steel sector and other manufacturing industries because of the prolonged recession has forced officials at the Ministry of International Trade and Industry to consider measures to encourage companies to shed excess facilities and workers.

One of the leading candidates for such a policy is NKK, the second largest steel company, which is

expecting net losses of ¥113bn (\$950m) this year on sales of ¥1,500bn. NKK has opted to keep one of its more expensive blast furnaces running because the costs of shutting it down are more than it can afford.

However, industry officials warn that NKK may run into further funding difficulties as market conditions are expected to worsen this year. Mr Chihaya said that steel demand was expected to fall this year to 89m tonnes, its lowest level since 1971, because of a fall-off in orders from construction companies and manufacturers.

Analysts said that regardless of the government's plan to help steel companies, consolidation was inevitable, given the excess supply and deteriorating financial condition in most of the industry.

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INTERNATIONAL

DEBT RELIEF PRESIDENT ELECT INDICATES HE IS PREPARED TO BRING COUNTRY BACK INTO THE FOLD

Nigeria ready to repair rift with IMF

By William Walle in Lagos

The prospect of Nigeria reaching an agreement with the International Monetary Fund improved yesterday when Olusegun Obasanjo, the president elect, said he would be prepared to work with the institution in exchange for debt relief.

Until now General Obasanjo - winner of last month's presidential election, who will take office on May 29 - has given no indication of whether he would accept plans by the outgoing

military administration to bring Nigeria back into the IMF fold after 10 years of ruptured relations.

The first hint that he might be susceptible to the arguments of a reform lobby that sees international financial backing as vital to Nigeria's nascent democracy came as he cut short a European tour to fly back to meet Michel Camdessus, visiting IMF managing director.

Adherence to the proposed IMF programme could qualify Nigeria for fresh loans of \$1.5bn over three years and

the possibility of the rescheduling of its external debt, estimated at \$28bn.

But Gen Obasanjo will first have to move rapidly to meet tough conditions, including public auditing of the Nigerian National Petroleum Corporation and the central bank. He will also have to continue reforms initiated by the outgoing administration, which include plans to sell off ailing state-owned industries.

If he was prepared to do this, Mr Camdessus told reporters yesterday, the pro-

gramme, and Paris Club discussions towards easing the debt burden, could begin as early as July.

"As soon as Nigeria demonstrates that it is fully committed to reform and adherence to the terms of the staff-monitored programme, the IMF would quickly, I would say instantly if I can, move towards consideration of a full three-year programme with appropriate sorts of financing," he said.

"This would open the way to discussion with the Paris Club over alleviation of

national public debt, and we will be there advocating your case."

The relief on offer is modest given the extent of the economic crisis after 15 years of disastrous military rule, and the recent slump in the price of oil, Nigeria's principal export earner.

But it could help in bridging a budget deficit this year which, it is estimated, could reach about \$3.9bn.

Finance officials fear that by the time Gen Obasanjo takes over, foreign exchange reserves will be drawn down

by more than half the \$5m now available and that he will have little real choice but to bite the IMF bullet.

"We don't believe democracy will be sustained with the burden of debt we have now," Gen Obasanjo told Mr Camdessus yesterday.

Gen Obasanjo arrives in London today for talks with Tony Blair, prime minister, and Gordon Brown, chancellor of the exchequer (finance minister), during which he is expected once again to emphasise the need for debt relief.

Death, decay in São Paulo may stir reformist zeal

By John Barham in São Paulo

São Paulo's 10m inhabitants once cared little about how the city's politicians ran their affairs. That all changed when prosecutors investigating a protection racket involving city officials and street sellers got hold of the diary of Tania de Paula, girlfriend and alleged bag woman of Vicente Viscomi, a formerly obscure assemblyman.

Her diary chronicles details of their love life as well as accounting for R\$40,000-R\$50,000 (US\$22,000-US\$28,000) in monthly "contributions" from street sellers and shopkeepers who apparently paid Mr Viscomi to keep municipal tax, sanitary and zoning inspectors off their backs. Mr Viscomi went into hiding after a judge issued a warrant for his arrest. Ms de Paula decided to confess all in return for a reduced sentence.

The scandal might have died down were it not for a calamitous downpour on March 1, the day before Ms de Paula was arrested. The deluge, one of the worst the city had experienced, killed seven people in landslides, trapped motorists in their cars in flooded traffic tunnels and turned snaking expressways into rivers.

Its effects were all the more devastating because storm drains were clogged with rubbish, emergency pumps failed to work and green areas which could have helped soak up the rain had been built over by crooked developers.

Gilberto Dimenstein, an editor on the *Folha de S. Paulo* newspaper, said: "All of a sudden the most important city in South America has discovered a degree of corruption that it [suspected] but did not realise existed to such a degree."

São Paulo mayors used to boast that they were corrupt, but at least they got things done. Now the city is bankrupt and unable to provide effective basic services. The media, prosecutors and the public have turned on Celso Fitta, the populist mayor, and his acolytes such as Mr Viscomi.

Corruption goes well beyond shaking down street sellers. Almost every conceivable economic activity is subject to some form of official extortion.

Big Brazilian companies generally agree to pay bribes, but multinationals usually refuse and prefer to pay fines. The money - paid at municipal, state and federal level - is shared out between bureaucrats and their political godfathers. They make sure that it is impossible to comply fully with all of Brazil's tangle of laws, regulations, decrees and directives.

The bribes and fines make up part of the so-called *Brazil Cost*, shorthand for the

"This could be a big step towards the city's improvement"

multitude of expenses that inflate the cost of conducting business in Brazil. Businesses also have to battle against a dysfunctional telephone system, high taxes, erratic economic policies and potholed roads - as well as red tape and corruption.

Some believe the scandal in São Paulo could initiate a "clean hands" campaign, just as a corruption scandal in Milan marked the beginning of a crusade that swept away Italy's old order. But populism is deeply rooted in Brazil and the judiciary is weak.

Still, the affair ought to give added impetus to President Fernando Henrique Cardoso's political reform plans, which have simmered for years. He and his aides are fiercely honest but his coalition allies are very much the products of the old school of Brazilian politics.

Mr Dimenstein believes something important has happened. He offers New York as an example of a city which cleaned itself up, and which could be imitated by São Paulo. Now, he says, his city is discovering itself, "and this could be a big step towards its improvement"

Somali aid at the point of a gun

By Mark Turner in Nairobi

Daahir Abdulle Ali stands in the sweltering heat at the head of a 16-truck convoy parked along a Somali dirt road, walkietalkie in hand, AK-carrying militia never too distant.

Within an hour he will set off with 370 tonnes of World Food Programme (WFP) maize and supermix, from Tieglow, a four-day drive north of Mogadishu, to Hoddur, 90km to the west.

It is 3pm and Mr Ali's drivers are stirring after a rest in the shade beneath their Fiat truck-trailers. In the next few hours they can expect to meet armed bandits, negotiate militia checkpoints and - if the heavy bundles of Somali shillings do not suffice - fight gun battles over their precious cargo.

Their challenge is to deliver the goods without a single bag going astray. If they fail, their contractor in Mogadishu, a Somali businessman, faces a heavy financial penalty. If they succeed they will be paid handsomely.

This is the aid business turned heavy-duty commercial enterprise, where the stakes run into hundreds of thousands of dollars and the act of relief is a universe away from tin-rattling in western capitals.

Somalia is in the middle of a food crisis, with up to 1m people facing shortages and 300,000 at risk of serious nutritional problems. Reaching those people in a country with no government, where disputes between clans are settled at the point of a rifle is a logistical nightmare.

Yet the WFP, a United Nations agency, says it has established a system whereby only 2 per cent of stock is lost in transit.

Stung by the disastrous aid operations of the early to mid-1990s, when thousands of tonnes of goods were stolen by militia in spite of the presence of UN forces, the WFP has turned to the only people who can negotiate in the world's most anarchic country - local businessmen.

Somali contractors undertake to transport food from ships in Mombasa, Kenya, to a warehouse in Mogadishu, and then to deliver it to distribution points throughout the country. From there local communities take over, guarding their allocation with their lives.

The catch is that the contractors have to lay down a dollar bond for the value of the food in a reputable bank account: with cargoes of more than a thousand tonnes, that can reach \$500,000 or more.

For every tonne that goes astray, the contractors forfeit more than the market value of the food. But the prize is worth it; by the time the aid reaches its final destination a third of its value has gone into their fees.

It is therefore heavily in the contractors' interests to see that the food arrives. Aid that was seen as common property (and fair game) becomes someone's business. In Somalia, commerce commands heavy respect.

But passing through clan boundaries requires skilful negotiations by multi-ethnic teams, and occasionally brute force. A gun battle outside Mogadishu last year left two people dead; another dispute between Tieglow and Hoddur took more than three days to resolve.

Given the WFP's humanitarian mandate, it prefers to ask as few questions as possible about how the food is delivered. But when push comes to shove, the food arrives at a reasonable cost and - to a large degree - vulnerable people are fed.

NY left reeling from controversy over the big fight

The city is split over the repercussions of last week's heavyweight title fight at what was once the world's top boxing venue, writes Andrew Edgecliffe-Johnson

The 21,000-strong crowd which had paid up to \$1,500 to watch last week's "undisputed heavyweight title" fight at Madison Square Garden was treated before the fight to a screening of the New York venue's greatest boxing moments. The only trouble was that most of the film was in black and white.

The clash between Evander Holyfield and Lennox Lewis was the first fight of its size at the arena since Muhammad Ali's legendary bout against Joe Frazier in 1971. For the management of the Garden, it was also a chance to bring big-league boxing back to New York, after two decades when Las Vegas and Atlantic City have lured the main fights.

Now, as officials and armchair commentators continue to argue over the judges' decision to declare the fight a draw, the question is whether New York has blown its big chance to reclaim its title as the world's undisputed boxing venue.

Among the countless voices of disapproval, the comments of Rudolf Giuliani, New York's mayor, were notable. "This is a travesty, and it really hurt boxing," he said. "I hope it doesn't hurt New York."

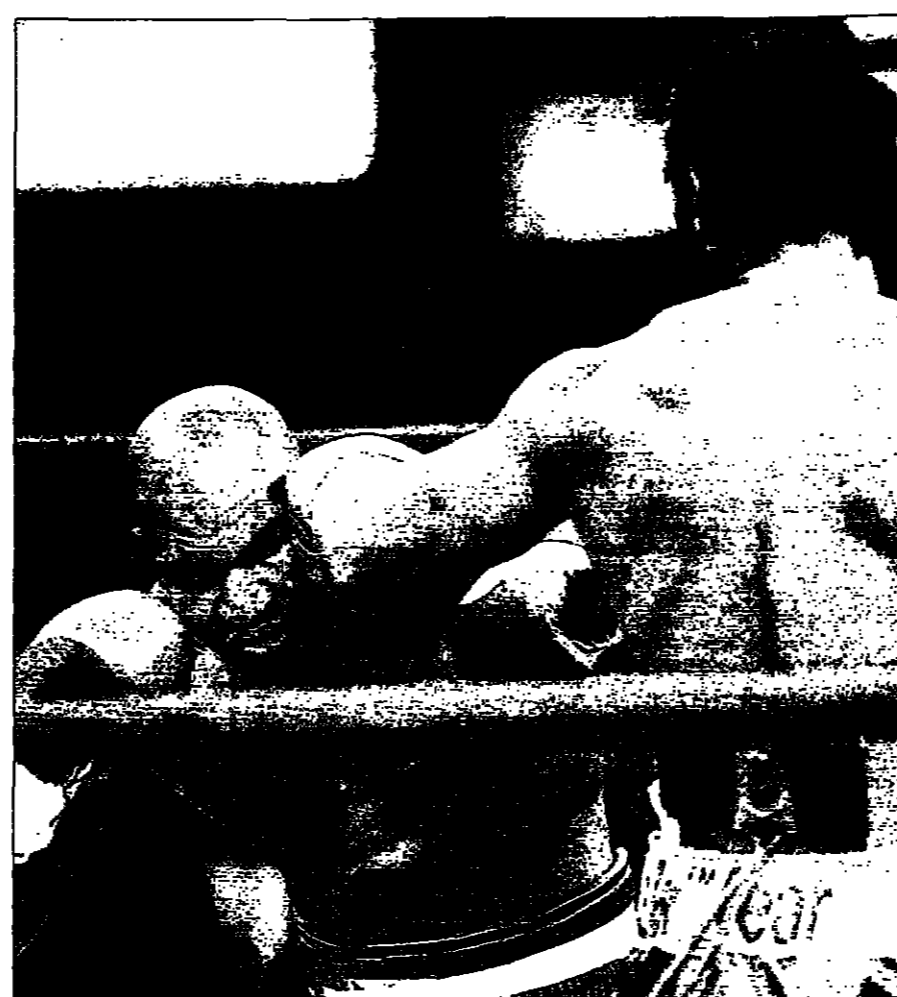
George Pataki, New York state governor, also weighed into the debate, as did the speaker of the City Council. Some commentators have voiced concern that the most venerated ring in boxing could be tarnished by a controversial verdict.

The Garden owes its revered status to having hosted all of boxing's greats, from Sugar Ray Robinson to Rocky Marciano. But in recent years it has been better known for New York Knicks basketball games, Bruce Springsteen concerts and the Westminster Dog Show. Its management made no secret before the match of its wish to put the venue back on the boxing map.

Dave Checketts, Madison Square Garden's president and chief executive, said of the \$8.3m it paid to host the fight: "We went aggressively after this, which we consider the fight of the decade, because we know this put us squarely in the game."

Kevin Wynne, vice-president of MSG Sports, which oversees boxing at the Garden, pointed out yesterday that last weekend was a financial success, if nothing else. The Garden made \$11m from ticket sales for the fight, and \$1m from sponsorship.

"We had a spectacular



Trading blows: Evander Holyfield and Lennox Lewis in last weekend's controversial fight

night with an unfortunate outcome," Mr Wynne said. The Garden, he added, hoped to host more fights in the near future, featuring Oscar De La Hoya, Prince Naseem and "up and coming stars". Another reason for his confidence in New York's role as a boxing centre, he said, was that "this is the media capital of the world".

Michael Olajide, senior trainer at Kingsway International Boxing, fought at the Garden in the early 1970s. In

his view, "having last weekend's fight in New York was very important - it's good for the boys growing up in New York". The controversy over the result, he added, "could be good for New York", as long as it was properly investigated.

Donald Hayes, a trainer at the Blue Velvet Boxing Club, was equally confident in New York's enduring appeal to boxers. "If anything, more controversy will benefit Madison Square Garden. The

Garden is the site, the place, the number one. This is not going to knock down Madison Square Garden."

Phil Mucknick, boxing commentator for the New York Post, also believes boxing is assured of a future in New York City. "We like to think of ourselves in New York as exceptionally sophisticated sports fans, but we're suckers like everybody else. We'll buy smoke in a bucket if it's packaged correctly."

Round-the-world balloonists head for winning line

By William Hall in Zurich

Bertrand Piccard, 41, the Swiss pilot of the Breitling Orbiter 3 hot air balloon, and Brian Jones, 51, his British co-pilot, are on track to win one of the world's last unfinished races - circumnavigating the earth non-stop in a balloon.

Ever since Jules Verne, the Frenchman, wrote such books as *Around the World in 80 Days* more than a century ago, adventurers like Mr Piccard, Virgin's Richard Branson and Steve Fossett, a wealthy US broker, have been trying to conquer the last great ballooning challenge left to man.

It is Mr Piccard's third attempt and he has gone further than ever before. By midday yesterday he had travelled 39,500km and was heading across the Atlantic at 150km an hour. If all goes well his balloon should land

this weekend somewhere in North Africa.

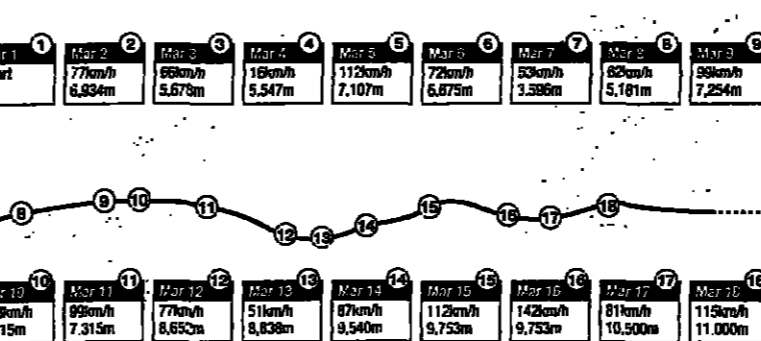
Bad weather forced Mr Branson and Mr Fossett, Mr Piccard's two principal competitors, to abandon their last attempt after they had travelled halfway around the world.

The same fate befell Andy Elson. Mr Piccard's cabin mate earlier this year. His Cable and Wireless balloon was brought down off the Japanese coast, but not before it established a world record for the longest continuous aircraft flight without refuelling. However, Mr Piccard and Mr Jones have already broken that record.

When it comes to weather, the biggest challenge for any balloonist, they have been enjoying better luck than the previous 20 or so competitors who have tried to turn Jules Verne's flights of fantasy into reality. They have also been helped by improve-

ment in balloon technology which allows better insulation and ventilation, the key to keeping the balloon aloft for long periods.

The Orbiter 3 is a combination of a hot-air balloon and a gas balloon, known as a Roxter balloon. It relies on a helium cell which is filled to less than half its capacity initially. The sun expands the helium gas, which allows the bal-



loon to rise. But as night-time temperatures fall, the helium contracts and burners have to be used to keep the balloon at the right altitude.

Mr Piccard, a psychiatrist who has been known to hypnotise his crew to get them to sleep, comes from a family of scholarly explorers, unlike most of his wealthy competitors who sometimes seem more interested in self-

publicity than scientific research.

Auguste Piccard, his grandfather, was the first man to take a balloon into the stratosphere, and invented the pressurised cabin now used in aircraft.

He also invented the Baby-scope, a submarine which took Jacques Piccard, his son and Bertrand's father, down to 10,916m - the deepest point of the globe. Mr

Piccard's supporters note with pride that Orbiter 3 passed over the Pacific Ocean's Mariana Trench, where Jacques Piccard established his record.

While Mr Piccard's achievements help maintain the family's reputation as Switzerland's greatest explorers, they have also helped focus attention on Britain's little-known balloon makers, one of the few

industries where Britain is still the world leader. Cameron Balloons, based in Bristol and headed by a Scotsman, Don Cameron, has made almost all of the round-the-world balloons.

Cameron Balloons builds one balloon a day and exports about 80 per cent of its output. But with a turnover of \$7.5m (\$12m) a year and 120 staff, it is still a cottage industry compared with the world's aircraft industry. Mr Cameron does not see much chance of the latest adventure revolutionising air transport.

He says that if Mr Piccard and Mr Jones achieve their dream of landing next to the Egyptian pyramids it could deflate short-term demand from would-be round-the-world balloonists. However, he is already working on plans for a round-the-world balloon race to take place every four years.

Lure of a new world leaves Morocco's children old before their time

Enormous social problems at home and the promise of vast riches abroad are creating an army of young aspirant emigrants, some as young as 10, writes Roula Khalaf

In a narrow street of the old city in Tangiers, the children who come to eat and read at *Darna*, a children's charity, all dream of a new world.

Many of them, some as young as 10, have already tried to move to Spain by sneaking their tiny bodies under trucks that cross the 14km stretch of water separating Morocco from European shores.

Tareq, 15, even received his mother's blessing last year before heading off for Madrid. "My father died that year and all the kids from my neighbourhood were leaving to work in Europe," he says.

"Madrid was extraordinary. Spain is prosperous; all those who come back bring

beautiful cars and nice, clean clothes."

His adventure did not last long. Like many of Tangiers' mice - as the aspiring young immigrants are called - he was caught in Madrid, spent a few months in a children's hostel and eventually sent back home.

Stemming the flow of immigration from North Africa is at the heart of the European Union's attempts to bring the southern Mediterranean area to a free trade zone by 2012.

A survey published by Casablanca's *Le Journal* and Leger&Leger, a polling agency, last year found that 54 per cent of Moroccans would "certainly" leave if given the chance to live in a country of their choice. A

further 17 per cent said they "probably" would.

With visas difficult to obtain, diplomats in Rabat say clandestine immigration to Spain and then the rest of Europe through *pateras*, or small boats, has been on the rise. No matter that about 1,000 people have drowned in rough waters since 1992.

Spanish television beamed from across the water shows a life far removed from the squalor and misery of Tangiers. The city once famous as the playground of the rich and famous has been handed over to the drug barons in the last 15 years.

The sold the hashish grown in the nearby Rif mountains - a principal source of foreign exchange for Morocco - and laundered

their money in real estate. Prices were driven up and other investors were discouraged from settling in the city.

While the south, and in particular the contested area of the Western Sahara, saw public investment pour in, Tangiers and much of northern Morocco's infrastructure was left to rot.

On the filthy Tangiers streets, many children sniff glue from old socks, too high to realise what goes on around them.

In *Darna* (Arabic for Our Home), the children who have crossed to Europe are already adults - they went to Spain looking for jobs. But the desire to emigrate also reflects a deeper malaise.

"The young people have lost their values, the capacity to admire things and the sense of family," says a longtime resident of Tangiers.

"The country is between two fires. On the one hand, television describes a paradise with money, power to consume and well-being and here life is hard and they are deprived of even the basics."

Those who return from Europe bring expensive cars filled with consumer goods and give an unreal image of the outside world, he adds. "When the young here see them, their feelings of disillusionment only increase."

On the surface, Morocco is doing rather well and its cautious economic and political liberalisation is often cited in the west as an example to other Arab countries. But it is saddled with disturbing legacies and enormous social problems that make progress imperceptible.

Efforts to open up politically have yet to dent the prevailing culture of the *makhzen* - the parallel sys-

tem of governance dominated by the palace and the all-powerful interior ministry, filtering down to village level.

More than 50 per cent of the population remains illiterate and there are huge disparities between urban and rural areas.

With a huge debt burden and administration eating up most of the budget, investment has been slow and jobs are scarce.

Despite lack of resources, the authorities have realised that they can no longer ignore Morocco's north. After many complaints from Europe over drug production and immigration, the government has taken measures in recent years against drug traffickers. Today a new port, a trade zone and new roads are planned in Tangiers. Civil society is also trying

to take matters into its own hands. *Darna*, which is partly financed by a wealthy family foundation, is also aimed at countering the expansion of Islamist associations, which have until recently been the only groups active on the ground.

One such organisation is *Al Rissala* (the message). It holds summer camps and activities for the children of Tangiers, but at the same time tries to instill in them a sense of patriotism and religious values.

"For the children, going away [to Europe] is like the conquest of the west, but when they get to their destination they are exploited and they discover that it is not paradise," says an *Al Rissala* official. "What we teach them are their values, we let them talk about their problems and explain that their future lies here."

BMW seeks to reassure workers at Rover plant

Ireland police attacks collusion

Part-time jobs for

MOTOR INDUSTRY CARMAKER SAYS IT IS STILL NEGOTIATING DEAL TO SAVE \$2.7bn INVESTMENT

BMW seeks to reassure workers at Rover plant

By John Griffiths in London

BMW, the German carmaker, and Stephen Byers, the trade and industry secretary, yesterday attempted to ease the fears of Rover Group workers that a £1.7bn (\$2.7bn) investment at Rover's Longbridge plant in the west Midlands has been imperilled by an inadequate offer of UK government aid.

BMW, which owns Rover, made clear it regarded the offer from Mr Byers' department on Thursday as inadequate. The offer was understood to be about £120m.

BMW said its board had not rejected the offer and that it was "negotiating further".

Mr Byers described as "alarmist" some media reports the project had been

plunged into crisis. He was "confident that we will be able to arrive at a successful conclusion."

People close to the talks yesterday indicated there was a basic misunderstanding about the nature of the aid negotiations.

BMW has not sought such aid before, despite having already invested about £3bn in Rover. Although no formal offer was received until Thursday, BMW executives and DTI officials have been in detailed discussions on the project for more than two months. BMW's supervisory board was therefore expecting an offer close to £180m-£200m.

Instead, it received what the DTI used to bargaining with motor industry aid applicants such as Ford and Vauxhall, is understood to

regard as an opening gambit. Those close to the negotiations suggest the offer is likely to be raised over the next few days.

BMW wants an agreement in time for its formal financial results meeting on March 30. Neither the government nor BMW would confirm the size of the offer.

The concern of Rover's 14,000 Longbridge workers was increased on Thursday

night by the announcement of a £1.1bn (£950m) net loss for Rover last year, much higher than expected. Union leaders are also pressing for an revamped offer to secure what would amount to a new lease of life for Longbridge.

In what is also seen as a negotiating ploy, BMW is warning that the project could go to Hungary if an agreement is not reached.

BMW envisages an entirely new production facility at Longbridge, to build a new family of vehicles from 2002.

This would be double the current 200 and 400 output. With Mini and MGF production added, the plant could produce 700,000 units a year, 40 per cent more than Rover's entire 1998 output.

Ousted director, Page 23

Government cash hand-outs

Automotive aid project	Date	Amount awarded (£m)
Ford/Jaguar aid for Castle Bromwich (Bromwich and Halewood (Merseyside) 2000 model)	Mid 1996	71
Rover Group aid for Ham's Hall	Nov 1996	28
Vauxhall investment in Ellesmere Port	Mar 1997	11
Ford Bridgend expansion project for production of new Zetec-SE engine	May 1997	10
Toyota aid to Valenciennes, France	Nov 1997	36
LDV	Jan 1998	25
Ford/Jaguar aid for Halewood 2000 model (Baby Jag)	Jul 1998	43



Hauliers consider moving fleets out of UK

By Charles Batchelor, Transport Correspondent

Two of Britain's largest road haulage groups are considering moving all or parts of their truck fleets to continental Europe to escape the vehicle excise duty rises in last week's Budget.

Wincanton Logistics said it was "keeping under constant review the possibility of moving its 4,000-strong vehicle fleet out of the UK", while Tibbitt & Britten, which has a similar-sized UK fleet, said it might "flag out" some of its trucks based in the southern English county of Kent.

News that some of the large transport groups are considering registering vehicles abroad adds weight to the protests from hauliers' trade associations and smaller companies about the scale of the duty rises.

Smaller hauliers are planning to disrupt traffic in central London on Monday by driving trucks slowly through the streets in protest.

The duty on a litre of diesel in the UK is 50.2p, compared with 24.5p in France and 19.19p in Belgium. Excise duty on a 40-tonne five-axle truck in the UK is £5,750 (\$9,372) compared with £459 in France and £338 in Luxembourg.

Wincanton calculates that the rise in fuel duty will cost it more than £5m a year with similar increases to come in the years ahead.

"Fuel costs already represent a quarter of running costs of a vehicle," said Robin East, director of European operations. "It is impossible for operators to make significant further economies by using new technologies or through greater vehicle utilisation."

John Harvey, T & B chairman, described Gordon Brown's [chancellor of the exchequer] decision to raise fuel duty again as "unbelievable". Some of the increase could be passed on to customers but some would have to be absorbed by the hauliers.

"Many of our vehicles are registered abroad," he told Commercial Motor magazine. "We have several depots in Kent and may flag some of the vehicles out abroad just to show the government the impact of its policies."

Lawrence Christensen, president of the Freight Transport Association, representing 12,000 hauliers and their customers, said the chancellor had ignored the genuine problems his increases would cause for lorry operators.

NEWS DIGEST

CHALLENGE TO LABOUR PARTY

Blair faces by-election after court verdict on MP

Tony Blair, the prime minister, is facing a fraught by-election in an English Midlands seat after Fiona Jones, the Labour MP for Newark, was found guilty yesterday of filing false election expenses.

Ms Jones was sentenced to 100 hours' community service and automatically forfeits her seat - her winning margin at the general election was 3,016 - following the verdict at Nottingham Crown Court. The expenses return submitted by Ms Jones and Des Whitcher, her agent, declared they had spent almost £400 (\$652) less than the maximum. Ms Jones and Mr Whitcher both said they would appeal.

Labour officials admitted that it would be their toughest by-election challenge since Mr Blair came to power, in what is the party's 25th most vulnerable seat, although the contest could be equally awkward for William Hague, the Conservative party leader. He will be under immense pressure to win back what was once a safe Conservative seat, and use a victory as a launchpad for political recovery.

However, Mr Hague will be relieved to learn that Michael Portillo, the former Conservative defence secretary and potential leadership rival, will not seek to contest the by-election. George Parker, London

CORPORATE SECURITIES

Net investment tops \$13.5bn

Heavy buying by long-term insurance funds fuelled record net investment in UK corporate securities of £8.3bn (\$13.5bn) in the last three months of 1998, the Office of National Statistics said yesterday.

Much of the increase came in corporate debt, where net investment by institutional investors reached a record £6.1bn. Net investment in overseas securities was also strong but gilts purchases were close to zero.

Insurance funds put a net £6.7bn into UK company securities and another £4.3bn into overseas securities. Self-administered pension funds increased net purchases of overseas securities to £2.0bn from £1.1bn in the third quarter, but their investments in UK companies dropped sharply to £0.1bn. George Graham, London

COUNTERFEIT BANK CARDS

Fraud losses rise by 32%

Fraud losses from the use of counterfeit payments cards rose 32 per cent last year to £28.8m (\$43.7m), adding new urgency to banks' plans to replace their cards with high security chip cards. Card fraud has been climbing since 1995, as criminals have found new ways of avoiding banks' security measures, including files of stolen cards and advanced computer systems to detect fraud patterns.

But total losses - up 11 per cent last year to £135m - remain below 1991 and 1992 levels, when fraud peaked at more than £160m a year. Since card use has risen rapidly, fraud as a percentage of turnover remains at less than one-third of the levels reached then.

Counterfeiting is the fastest-growing fraud, according to the Association for Payments and Clearing Services with losses more than doubling since 1996.

The roll-out of smart cards containing computer chips instead of magnetic stripes, is directly aimed at this problem, since chip cards are more difficult and more expensive to fake. George Graham, London

LIFE ASSURANCE PRODUCTS

Insurance firm suspends sales

Royal London, a mutual insurance company with 1.2m customers, based in Essex, the county to the east of London, said yesterday it was suspending sales of life assurance and pensions products for at least eight weeks while its staff received additional training.

Royal London said the move, which takes effect on Monday, was intended to address issues raised by the Personal Investment Authority after a routine inspection in January. Royal London is the latest financial services group that relies on door-to-door sales to be obliged to suspend new business. Liverpool Victoria, the UK's biggest friendly society, temporarily suspended its sales force in 1997. Clay Harris, London

Examination reform fails to achieve top marks

Private schools may introduce the International Baccalaureate as an alternative to new British qualifications, writes Simon Targett

Haileybury, a leading private school and Alma Mater of Clement Attlee, first postwar prime minister of the Labour government, is set to introduce the International Baccalaureate next year, it emerged yesterday. Another traditional fee-paying academy, King's College School in Wimbledon, south-west London, may follow suit.

These are the latest signs of unease about the government's controversial reforms of the A-level qualification, which were formally, and almost invisibly, unveiled yesterday. A-level examinations normally determine whether candidates - in either private education or state schools - go on to university.

It could turn into a full-scale rebellion by the private sector if, as expected, other private schools air their reservations about the new A-level papers - which will be available from September 2000 - at a summit meeting of the country's premier private school head teachers in Leeds, in northern England, next week.

Already Sevenoaks in Kent, southern England, has announced plans to switch to the IB next year, and Win-

What a baccalaureate covers

- 1 Language A - English or the student's native language
- 2 Language B - second modern language
- 3 Individuals and societies - history, geography, economics, business, philosophy, IT
- 4 Experimental sciences - biology, chemistry, physics, design/technology
- 5 Mathematics
- 6 Electives - including art, music, theatre arts. At present classical languages are included in this group

Candidates must offer one subject from each of 1-5. The 6th choice can come from the electives options or a second subject from groups 2, 3 or 4



Baroness Blackstone

chester College, in the south-west of the country, is toying with teaching the International Baccalaureate instead of the reformed A-level.

Baroness Blackstone, the education minister, yesterday sought to head-off mounting opposition, promising additional "world class tests" designed to quell any doubts about the new system's suitability

for the brightest pupils. These tests, which caught teachers' leaders by surprise, would supplement a new AS qualification - allowing sixth-formers the chance to study up to five subjects in the first year of post-16 school - and a new specialist qualification known as A2 - enabling pupils to take three of the AS subjects to a higher level.

But Stuart Westley, head-

master of Haileybury, said: "I am concerned that the proposals for the revamped A-levels will not achieve breadth and may lead to a lowering of standards."

He added that universities would need to make the AS qualification a condition of entry "otherwise there will be no take-up of this exam in schools", even if it turns out to be academically tough.

Tony Evans, headmaster of KCS in Wimbledon, and a former chairman of the elite Headmasters' and Headmistresses' Conference, said: "If, as details become evident about A2, the reforms represent a serious departure from rigour as we have known it, then the school will look seriously at the International Baccalaureate."

Mr Westley estimates about 20 of 130 pupils at Haileybury may sign up for the IB.

The exam, set up in 1962, allows pupils to take six subjects: English or a native language, a foreign language, a humanities subject, an experimental science, a mathematics course and a cultural subject such as art or music.

It was formed under the auspices of the United

Nations Educational, Scientific and Cultural Organisation, by a group of educationists including Kurt Hahn, founder of Gordonstoun, the Scottish academy which schooled the Duke of Edinburgh, Queen Elizabeth's husband, and the Prince of Wales, their eldest son.

It is controlled by the International Baccalaureate Office in Geneva. More than 35,000 students are examined in nearly 100 countries.

But it is not the only option for schools worried by the arrival of the government's new A-level system. James Sabben-Clare, headmaster of Winchester and the current HMC chairman, points to the International A-level, a qualification that retains traditional syllabuses and methods of assessment, and which he described as reassuringly "old-fashioned".

It remains possible that Baroness Blackstone could win over the sceptical head of Britain's top private schools when she addresses their summit meeting next week.

If she does not, the schools - though they represent just 7 per cent of Britain's pupils - could damage the credibility of the government's A-level reforms.

N Ireland police body attacks collusion claim

By John Murray Brown in Dublin and Jimmy Burns in London

Northern Ireland's police authority yesterday hit back at nationalist allegations of official collusion in this week's murder of the lawyer Rosemary Nelson, accusing unnamed politicians of using her killing as "a platform to attack the Royal Ulster Constabulary" [the region's police force].

The RUC brought in a senior English police officer and the FBI to help in the investigation but officers said it would retain a central role in spite of calls from human rights organisations, and nationalist politicians, for an independent inquiry.

Herb Wallace, a member of the authority, said the RUC's move "should satisfy anyone who is willing to be satisfied".

However, the Northern Ireland Police Complaints

Commission yesterday published its annual report confirming that it had expressed "grave concerns" about an RUC investigation last year into claims by Mrs Nelson that she had received death threats from the police. A report by London's Metropolitan Police into the allegations is to be submitted to Mrs Nelson's family on Monday.

The RUC was yesterday backed by both David Phillips, the Kent police chief brought in to oversee the investigation, and John Guido, the FBI legal attache. They said the "application of local knowledge and intelligence" offered the best chance of catching Mrs Nelson's killers.

But Brid Rodgers, the SDLP's assembly member for the area, said: "One has to ask how such a statement could be made on the same day as the independent commission for police com-

plaints reported on the fact that it doubted the RUC's handling of Rosemary Nelson's allegations."

The row came as a court in Belfast, Northern Ireland's principal city, convicted Bernard McGinn of the murder of Stephen Restorick, the British soldier killed by a sniper in January 1996.

Mr McGinn refused to stand as he received three life sentences for the murders of Mr Restorick and two other soldiers killed during a 20-year period in south Armagh, near the border with the Irish republic.

Mr Restorick's mother said: "At the moment we, as victims' families, are being asked to give everything. We are seeing the people found guilty of our loved ones' murders walk free early and it's time the paramilitaries gave that little bit towards decommisioning. They have to make a move."

\$13bn frigate deal in balance

By Alexander Nicoll, Defence Correspondent

A last-ditch attempt to rescue the troubled £8bn (\$13bn) Horizon frigate project will be made on Monday at a meeting of the British, French and Italian defence ministers.

Britain has threatened to pull out and build its own ships following disagreements over design and construction. It is understood to be unhappy with proposals made by an industrial consortium last month.

France and Italy, however, attach strong political importance to the collaborative project and believe it is vital for European defence co-operation. They want concrete evidence of UK support for European integration on security policies.

To try to overcome British concerns, the French are understood to have agreed that Marconi, the defence

company being sold by GEC to British Aerospace, should be the project's overall prime contractor.

Under a proposal to be discussed on Monday, DCN of France would be the main subcontractor for the ships' combat management system, and Orizonte, an Italian consortium, for construction of the hulls. The three companies are now joint venture partners for the project.

However, Britain is expected to insist the industrial arrangements must be more "robust", with the prime contractor able to take decisions on subcontractors and accountable for meeting important targets.

George Robertson, UK defence secretary, Alain Richard of France and Carlo Scognamiglio of Italy are expected to try to push the project forward on Monday at the end of a day-long meeting in Paris of defence procurement chiefs.

Part-time jobs forecast for 30% of workforce

By Robert Taylor, Employment Editor

By 2006, Britain will still have nearly 1.5m unemployed, only 13.7 per cent of its labour force working in manufacturing and nearly 30 per cent of employees in part-time jobs according to an annual survey from Warwick University.

The continuing rapid deindustrialisation of the economy and an increasing polarisation in the labour market between professional or managerial elites and the socially excluded looks set to

continue into the next century.

These are the main findings in the annual review of the economy and employment published today by the independent Institute for Employment Research at Warwick University. The report estimates the total number of jobs will increase from 26.4m in 1997 to 27.8m in 2006, but the vast majority will be part-time, with only a "modest" increase in full-time jobs.

The labour force as a whole is set to increase from 29.7m in 1997 to more than

31m by 2006. But the report projects a net loss of more than half a million manufacturing jobs from 1997 to 2006. It also believes the number of workers in construction will drop by 31,000 between 2001 and 2006.

On the other hand, the number of new jobs in business and miscellaneous services is expected to grow by 1.2m by 2006, and in distribution and transport by 690,000 over the same period. A continuing fall of around 380,000 in craft and skilled manual employment is projected between 1997 and 2006.

However, the number of jobs for plant and machine workers is expected to remain constant. A large expansion is projected for managers and administrators, professionals, personal services and sales. A growth in self-employment is also expected. By 2006, the category will account for 12 per cent of the labour force compared with 9 per cent in 1981.

The report says: "While for most people unemployment will be at worst a transitory experience, for a significant minority the problem of long-duration unemployment will remain severe. This will continue to be concentrated in particular localities and on certain parts of the community like ethnic minorities and other workers."

A substantial loss of unskilled jobs is projected - up to a third of the workforce in Northern Ireland and parts of England. The report also forecasts demand for a further 516,000 corporate managers by 2006, as well as 184,000 teaching professionals. By contrast, 340,000 fewer skilled engineers and those in allied jobs will be required.

CONTRACTS & TENDERS

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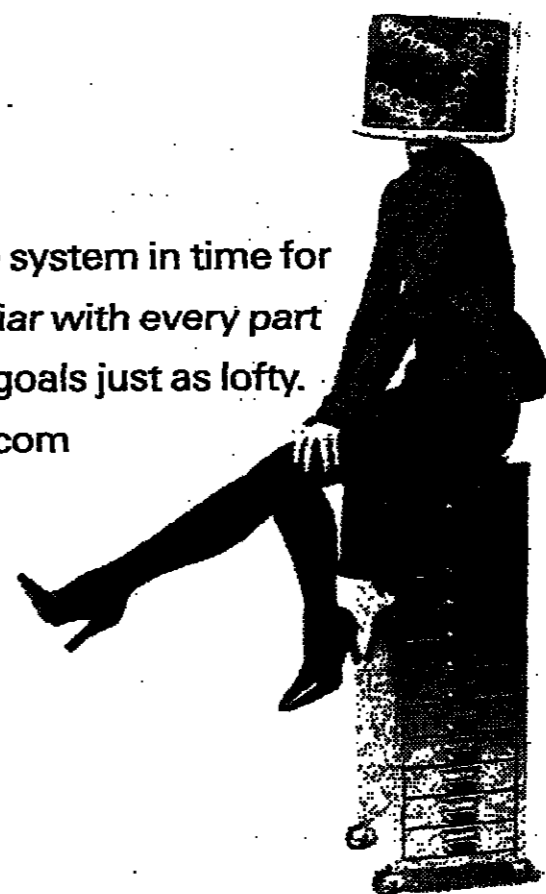
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Integrating networks. Writing middleware. But before you know it, Monday's here and we have to go back to work.

The people at Delta Air Lines had an ambitious goal. They wanted to revamp their cargo system in time for a major global sporting event. It should have taken a year. But because we became familiar with every part of their organization, we delivered a solution in just six months. Most of our clients have goals just as lofty. Fortunately, their ambition is matched by our enthusiasm and dedication. www.unisys.com



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BILL GATES ON BUSINESS

Home is where the internet is

Internet technology is invading everyday life faster than cars or television did. In the third of four extracts from his new book, Bill Gates explores the implications for individuals

If you asked your friends whether they'd adopted "the electricity lifestyle", they'd think you were nuts. People in developed countries take their electrical devices such as phones or televisions for granted; we just use them. But people who are now in their 50s can remember when only a few families had TVs.

A few people alive today were born before the widespread use of electricity in cities. The telephone first connected the far corners of the globe with fast communications a century ago. It's taken more than a hundred years for the "electricity lifestyle" to reshape civilisation.

When streets and houses were first wired, the only use for electricity was for lighting. Electricity's potential to reshape everyone's lifestyle was unforeseen. Once the infrastructure was in place, though, innovative products were created that took advantage of electricity. Electric refrigerators, phonographs and air conditioners were applications of the new technology to existing needs.

The most revolutionary applications of electricity were the phone, the radio and the television. All these new devices reshaped our economies and our lifestyles. People hadn't dreamed of these devices before the infrastructure was available.

Because the internet is a worldwide communications infrastructure that depends on electricity, you could say that its popular acceptance is an extension of the "electricity lifestyle". But the internet is enabling a new way of life that I call "the web lifestyle".

The web lifestyle, like the electricity lifestyle, will be characterised by rapid innovations in applications. Within a decade most Americans and many other people around the world will be living the web lifestyle.

It will be a reflex for these people to turn to the web to get news, to learn, to be entertained and to communicate. The web will be used to pay your bills, manage your finances, communicate with your doctor and conduct any business.

You'll carry one or more small devices using a wireless connection to stay constantly in touch and conduct electronic business wherever you are.

The adoption of technology for the web lifestyle is happening faster than the adoption of electricity, cars, TV and radio did in their day. Usage spreads through exposure to PCs at work and through friends and relatives. Many people who use PCs at the office install them at home for work and then use them for fun.

Radical new uses of the internet that none of us can accurately predict today will reshape the world as fundamentally in the 21st century as the unexpected uses of electricity did in the 20th - and faster.

As consumers rapidly move online, one of the most

fundamental shifts will be the degree to which consumers will manage their finances (including banking, mortgage, utilities, and credit cards) online.

In 1998 only about 1m of the 160m total bills in the US were paid electronically. Little online customer service was available.

In fact, though consumers can pay some bills online, in almost every case they still receive them on paper. When consumers are able to pay online, the US Commerce Department estimates, processing costs will drop more than \$30bn (\$12.5bn) annually. Within a couple of years electronic bill payment will be offered by most companies and financial institutions.

Just as people in developed countries today take for granted the lifestyles created by electricity and automobiles, they will soon take for granted the new lifestyle, the web lifestyle, enabled by digital technology.

I believe that by 2001 more than 60 per cent of US households will have PCs and that 85 per cent of those homes will have internet access.

For other countries to reach these levels of use they will have to make large investments in communications infrastructure. People underestimate the degree to which the hardware and software will improve. Take just one aspect: screen technology. I do my electronic mail on a 30in liquid crystal display (LCD) monitor. It's not available at a reasonable price yet, but in two or three years it will be.

In five years a 40in LCD with much higher resolution will be affordable. Screen quality will have a profound effect on how much people will read on the screen instead of on paper.

Smaller personal digital companions will become prevalent. These will include the handheld PCs on the market today, new computer tablets, and wallet-size PCs that will carry identification and enable electronic transactions. The phone, radio and TV will pick up new capabilities as they go digital.

Some devices will be carried on your person. Some will be in different rooms in your house. Others will become standard in vehicles. Any of them will enable you to access such information as e-mail and voice mail, stock reports or other news, the latest weather and the status of your aircraft flight. These devices will connect through wires or through wireless technologies such as infrared and radio frequencies.

These devices will become part of the fabric of daily activities. When you leave the office for the day, your personal digital companion will download your e-mail, which might include a grocery list from your spouse.

At the store, you can download a new recipe from a kiosk, which adds to your grocery list all the items you would need to use the recipe. Your digital companion is smart enough to update all the devices that need to know your

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home or work schedule but updates only the kitchen device with the recipe.

From a computer tablet in the kitchen or den, you check the house's status. The furnace icon may be blinking because the filter needs to be changed. A video of the front door area shows who called while no one was home.

Digital security cameras connected to a network are becoming cheaper and will be common to reduce theft.

Some day-care centres and schools are providing password-protected access to cameras to enable parents to check on their kids while they're at school.

While dinner is cooking, you go to a private web site for your extended family and find out that everyone has been in the chat room discussing what activities to do at an upcoming family reunion. They used electronic polling to settle on any of half a dozen possible events, and they've asked you to go ahead and schedule as many of them as you can.

A software agent, which knows you have already booked travel to the location, suggests several nearby activities, including rafting, which was on your family's list. The agent also alerts you to a new, lower airfare to your destination. You digitally book the rafting and the lower fares.

When you're ready to watch TV, you might scroll through the electronic programming guide on screen or use another software agent to see what's on. You've told the agent your viewing preferences and it's tracked your actual viewing patterns, so it recommends several shows among the many hundreds available on digital TV. You choose to see a rodeo. While watching, you use the interactive menu to enter a contest and to judge the bull-riding events. Viewer scores will count for half the final results. A commercial

comes on advertising a minivan. Most viewers see an ad for pickup trucks, but demographic data that you voluntarily provided through your TV indicates that you're a better candidate for a family-hauling vehicle.

Using the interactive TV's menu, you also discover that there's a rodeo in the town where you're having the reunion. Your family wanted at least one more unusual outdoor activity, so you book the rodeo, too. The activity is automatically added to the reunion schedule, which you now e-mail to the rest of the family.

As this example shows, the social implications of the web lifestyle and workstyle are enormous. Community building is going to be one of the biggest growth areas in the next few

years on the web. The web dramatically increases the number of communities you can bond to. In the past you might have had time to be a part of your neighbourhood community and one or two social organisations you took the trouble to join. In the web lifestyle you are limited only by your interests.

One of the most powerful socialising aspects of the web is its ability to connect groups of like-minded people independent of geography or time zones. If you want to get together a group of avid bridge players or talk issues with people who share your political views or stay in

touch with your ethnic group scattered all over the world, the web makes it easy to do so. If you want to keep up with the goings-on in your hometown, the web can help.

Not all communities getting wired are urban centres. Parthenay, France, a town of 12,000 people, is one of four communities in three countries that have gone online as part of the European Imagine project, supported by the European Union and a partnership of cities and industry. Citizens are using the web in their day-to-day lives for such things as ordering bulk groceries. French families still come down to the market every Saturday, but now they bring a small basket and buy only specialty items, making the excursion more of a social activity. An online Philosophers'

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Café encourages thoughtful discussion, and every Wednesday cattle breeders have chat sessions to discuss issues of common concern.

For the consumer, the web lifestyle will have a positive impact. In 1998, in an earlier book *The Road Ahead*, I used the term friction-free capitalism to describe how the internet was helping to create Adam Smith's ideal marketplace, in which buyers and sellers can easily find one another without taking much time or spending much money.

For the majority of products, which are available through many outlets, consumers will be the greatest beneficiaries. For unique products and services, sellers will find more potential customers and may command higher prices. The more consumers adopt the web lifestyle, the closer the economy will move toward Adam Smith's perfect market in all areas of commerce.

Now that customers can deal directly with manufacturers and service providers, there is little value added in simply transferring goods or information. Various commentators have predicted "the death of the middleman". Certainly the value of a "pass-through" middleman is quickly falling to zero. Travel agents who simply book aircraft fares will disappear. This kind of high-volume, low-value transaction is perfect for a self-service internet travel reservation site. In the future travel agents will need to do more than book tickets; they will need to create a total travel adventure. A travel agent who provides highly personalised tours of, say, Italy or the California wine country will still be in great demand.

If you're a middleman, the internet's promise of cheaper

largely interchangeable products are already well-mediated. The internet may not change the matching of buyers and sellers or price that much. The web will provide more value in areas where matching buyers and sellers is more difficult, such as services, or where markets are small or dispersed. How does a consumer easily find a used product - car, computer, stereo - with certain capabilities and in a certain price range?

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prices and faster service can "disintermediate" you, eliminate your role of assisting the transaction between the producer and the consumer. If the internet is about to disintermediate you, one tack is to use the internet to get back into the action.

That's what Egghead.com (formerly Egghead), a big US retail software chain, did after struggling for several years. Egghead closed all its physical stores nationwide in 1998 and set up shop exclusively on the internet. Eliminating bricks-and-mortar expenses, though, is only a tactic, not a strategy. Egghead now offers several online programs that take advantage of the internet, such as electronic auctions for about 50 different categories of hardware and software and for refurbished computers.

It puts special liquidation prices on systems available on its web site and sends out a weekly e-mail "Hot List" with exclusive offers available only to e-mail subscribers. The jury is still out on whether Egghead will thrive and meet the test of adding value, but the company certainly understands the principle.

For service industries, the internet requires you to be either a high-volume, low-cost provider or a high-touch, customer-service provider. For the high-volume, low-cost model you use internet technology to create a self-service approach. You make a lot of information available to customers and you drive a lot of traffic and transactions through your internet site offering the best price. Because only a few companies in any market will be the high-volume players, most companies will have to find ways to use the internet not only to reduce costs, but also to deliver new services.

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A tale of two cities

With the Dow through the historic 10,000 mark this week, a familiar investment puzzle comes to mind: whether we will ever see a Dow-Nikkei crossover, with the US index overtaking that of Japan. The Nikkei now stands at 15,700, so the gap might seem improbably large; but not if we recall that when the Tokyo market peaked 10 years ago, the Nikkei's value exceeded the Dow's by a factor of 14.

Anyone trusting in the long-term trend would be in no doubt about this. As the Dow has soared the Nikkei has sagged, with each trough lower than the last. But trends, however well established, can be reversed. It is almost a cliché to regard the US market as overvalued. What if Japan's is on the mend?

The question has a bearing well beyond portfolio management. However much the Federal Reserve plays down the fact, the continued health of the US economy depends heavily on Wall Street. If it collapsed, it would mean a great deal whether Japan were still in the doldrums. It would never do, after all, to have the world's two largest economies languishing at once.

Hence the relevance that Tokyo has been one of the world's best performing equity markets lately, with the broad Topix index up 13 per cent since the start of the year compared to 7 per cent for the US equivalent, the S&P Composite. The cynic might put this down to three months of tub-thumping by the Japanese authorities, by which credulous foreigners have been drawn in. But there is more to it than that.

Restructuring

The optimists' case has two main planks. First, corporate Japan may finally be restructuring, as suggested by Renault's mooted stake in Nissan. Second, the authorities may finally take to printing money: that is, reviving the economy by bringing back a modest degree of inflation.

Sadly, neither of those propositions is quite trustworthy. Renault's minority stake in Nissan, for instance, will hardly allow it to introduce radical reform. And most recent restructuring announcements from corporate Japan seem to boil down to further cost-cutting rather than real structural change.

The attractions of the second course are obvious. Japan's fiscal deficit is now so big that it cannot borrow to stimulate the economy without raising interest rates generally, thus adding to the burdens of a heavily indebted corporate sector.

But there is no evidence yet that the authorities have warmed to the idea of reflation. Apart from anything else, it might push down the yen. From a narrow investment viewpoint, that is hardly the way to attract foreign money to the stock market.

Let us work on the hypothesis, then, that Japan will be stuck in the mire for a while yet: saddled with a systemic banking crisis; industrial overcapacity; and an entirely natural reluctance by its citizens to part with their hard-earned savings.

This brings us to the other side of the equation. Whither Wall Street, and with what results?

Wage inflation

In one sense, prediction here is futile. The great majority of commentators have been wrong about Wall Street all the way up. In some crucial respects – in particular, the behaviour of wage inflation in a time of full employment – the old models appear simply to have broken down. Anyone who confidently predicts either a surge or a slump in the Dow from this point is either a fool or a charlatan.

This throws us back on scenarios. If Wall Street surges on up, and the rise proves sustainable, well and good. Suppose it were to collapse, as the Tokyo market did 10 years ago. What then?

The Fed's view of this – ostensibly, at least – is fairly relaxed. The Japanese bubble, it argues, extended from equities to real estate. Therefore, the banks got involved: lending colossal amounts to speculators, at a time when it was seriously argued that the property value of metropolitan Tokyo was equal to that of the entire United States.

The bubble in US equities, if such it be, does not involve bank lending in anything like the same way. Granted, individuals may have taken to spending much more because they are richer on paper. But if the market crashes, they will simply have to spend less. So much the worse for the companies that sell to them, and for the economy as a whole; but that does not mean a Japanese-style crisis for the US banking system.

All the same, it is difficult to shrug off the sense that Wall Street is overheated: that, to quote one market veteran from many years ago, too many dummies are getting rich. It follows that a Dow-Nikkei crossover would be bad news.

The sight of the Nikkei at 10,000 would be chilling. The Dow at 15,000-odd, in the near future at any rate, would not be a great deal better.

COMMENT & ANALYSIS

Earthquake in Europe

Not many dead. But the EU's institutions will never be the same again, and this, says **Quentin Peel**, will prove a big challenge for the two most nationalist EU members, France and Britain

The resignation of Jacques Santer and his 19 fellow European commissioners was not just a localised disturbance caused by a few minor cases of cronyism and mismanagement. Nor is it likely to prove a small tremor, with dramatic short-term effects, but no lasting damage.

Rather, it has permanently changed the constitutional landscape of the European Union, marking a radical shift in power from the non-elected bureaucracy – the Commission – to the elected European parliament.

The question is whether the damage it has done – by tarring all the institutions of the EU with the same brush of corruption and incompetence, and severely denting the morale of Europe's bureaucracy – will outweigh the positive long-term benefit of greater democratic control.

Klaus Hänsch, former president of the Parliament, and leader of the German Social Democrats, is in no doubt.

"It was a very good week for Europe," he says. "Something has changed in the political culture of the Union. For the first time, the parliament has demonstrated its political responsibility: the Commission has been made accountable for its actions."

Others are more pessimistic. "Huge damage has been done," according to one senior Commission official. "The morale of the Commission is in tatters. The parliament has got its tail up, but it is unstable and unpredictable. In the long term, that may be good. But right now, the EU has a whole has been set back 10 years."

But regardless of whether they think the upset will be good or bad, almost everyone agrees on what happened: power has begun to shift towards the European parliament – the nearest thing to a genuinely pan-European institution – and away from the other pillars where national influences still hold sway: the Council of Ministers, in which the 15 member states negotiate common decisions and legislation, and the Commission, which is the EU executive and civil service all at once.

The splendid new chamber built for the parliament in Brussels, where it meets between the plenary sessions in Strasbourg, is oval-shaped like the French cheese known as the Caprice des Dieux – the whim of the Gods. That is what it is disparagingly called by the Brusselsers, with a suspicious eye on its self-important occupants.

Yet this institution has thrust itself to the forefront of European political affairs, thanks to its onslaught on fraud, cronyism and mismanagement in the Commission. When its suspicions were backed by the report of five independent auditors on Monday, Mr Santer and his colleagues had little choice but to quit.

More than this, an imminent constitutional change will underpin that political victory. From May, or June at the latest, thanks to the amendments in the Treaty of Amsterdam, the 626-member assembly will enjoy powers of "co-decision" with the Council of Ministers over a greatly increased range of legislation. The number of areas affected goes up from a dozen to almost 40, including broad areas such as free movement of citizens, transport policy and regional subsidies.

On top of that, the parliament is set to be the forum for debating the performance of the European Central Bank, the guardian of the euro. Once a quarter, Wim Duisenberg, the president of the ECB, is set to report to the MEPs. Parliament will also have a veto right on the appointment of any future president of the Commission, although still not individual commissioners.

All those developments mean that the MEPs are going to have to be taken much more seriously by the rest of the EU. "Co-decision does not mean we can initiate legislation," says Mr Hänsch. "It is still the Council that remains the most important legislature. But it does mean that our views have to be taken into account."

That will mean a big culture change, both for the bureaucrats in Brussels, and for the member states in the Council of Ministers. Hitherto the EU has been ruled by the Council, where the members haggle over their national interests. That is where ultimate power lies, not in the Commission. The deals which emerge are dictated by the horse-trading of the member states.

The Commission is required to be more "European" in its approach, committed by treaty to promoting integration. But in recent years, it has also fallen victim to national interests. "There have been a huge number



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regroup in different ways on different issues. They can be occasionally terrifyingly decisive, but more often, profoundly divided and indecisive. In short, it is a highly unpredictable democratic institution, and it can scarcely be controlled by any of the member states.

If the parliament emerges from the present upheaval as a serious player on the European stage, two member states above all others are likely to be concerned: Britain and France. For both are the most effective exploiters of the national interests in the EU (although Spain has now joined the band), and both are the most congenitally suspicious of the European Parliament, and have consistently resisted any big extension of its powers.

For France in particular, the past week has been devastating. For the past 40 years, Paris has been a consummate player of Brussels power politics, thanks to brilliant exploitation of the bureaucracy, and shrewd use of personnel placement. Certain areas, like agriculture, have become virtually a French national fief, dominated by top French civil servants.

Monday's report by the five "wise persons" was a tacit condemnation of those personnel policies, abused in the case of Edith Cresson, the French commissioner, to put her own dentist

into a sinecure. But such practices have long been pursued. "We always used to find jobs for friends and connections," according to a former aide to Jacques Delors, the last French president of the Commission. "The difference to today was that our friends were competent."

British tactics in Europe were different, although the UK government has been no less expert than the French at fighting for good jobs in Brussels for its nationals. But rather than rely on the French-dominated Commission services, the British have used the Council to fight their corner, exploiting their ability to co-ordinate a national position, and in *extremis* threatening to use the national veto if cornered.

Both French and British tactics are threatened by the growing power of the parliament. But none of the member states, nor the Commission, has proved particularly agile in dealing with the directly-elected MEPs. All that is set to change.

"There is a non-understanding that there is a new political body to deal with, which has its own rules and its influence," says Mr Hänsch. "That non-understanding is a national tradition in France, where they don't like any parliaments very much, including their own."

"The English are the opposite. They have the House of Commons, and think that is the only possible parliament to deal with." Nobody believes that the European parliament is going to become, overnight, as powerful as the member states. But its approval will now have to be actively sought. That means each and every EU government lobbying MEPs for approval of particular items of legislation, just as they would in their domestic parliaments.

There is a real concern in many of the EU capitals, that the parliament may overreach itself, and bring decision-making in the Union to a standstill. "The question is whether they have an objective platform, or they are just jousting for more power," according to one senior UK diplomat. "At least they have shown they can play a good watchdog role."

Yet one ironic result of the week's upheavals is that they have made quick decision-making in the Council of Ministers, and at next week's EU summit in Berlin, much more likely.

The interminable negotiations on Agenda 2000, the complex of reforms affecting farm spending, regional subsidies, and the whole future financing of the EU, are now far more likely to be agreed by the deadline of next Thursday. So too is a decision on a new Commission president to succeed Jacques Santer.

"They have got to show they are decisive, otherwise they will be letting the MEPs make all the running," a French official concluded. "I think the chances of a deal next week are now vastly improved."

For the first time, the parliament has demonstrated its political responsibility

of national experts parachuted into the Commission, which has meant its European dream became a bit tarnished," according to one senior official.

The European parliament, in contrast, is a more volatile mixture, with party political groups – Socialists, Christian Democrats, Liberals and Greens, to name but a few – overlapping with national, regional and sectoral interests, like the farming lobby. The MEPs coalesce and

LETTERS TO THE EDITOR

A week is better than nothing

From Mr J. T. Ducker.

Sir, It was pleasing to learn from Nick Burnett's article "I went to the well for water, and I left in peace" (Arcadia, FT Weekend, March 13-14) that the World Bank's executive development programme sends its staff to poor villages in Africa, and no doubt elsewhere – if only for a week.

When I joined the World Bank in 1969 this was not necessary since many operational staff had lived for years in developing countries and knew almost instinctively what would be helpful to poor people. It really is astounding that a bank divisional manager should be surprised to learn that villagers lack information about world market prices, wish to work in the public sector and are vulnerable to changing conditions – and this in a country that is not at war with itself. Where are these managers coming from?

Perhaps selection criteria should be changed – no one should become a manager (or an executive director!) until they have spent a substantial time living and working in a developing country. Those who are citizens of a developing country should return there after a fixed period to see what they can do for their fellow citizens. Perhaps then the World Bank could be said to be "fighting poverty with passion and professionalism for lasting results."

J. T. Ducker, Wyck Elm, Ampney Crucis, Cirencester, Gloucestershire GL7 5RY, UK

George Bush's vice-president

From Mr Burton J. Weiss.

Sir, John Lloyd in his article "Putting freedom to the torch" (FT Weekend, March 13-14) puts forth several interesting ideas and observations about the press. Unfortunately, he undermines his own credibility when he identifies Dan Quayle as vice-president under Ronald Reagan. George Bush was vice-president during Mr Reagan's two terms. Mr Quayle was vice-president during the presidency of George Bush.

Burton J. Weiss, 103 Marina Drive, Chapel Hill, North Carolina 27516, US

Life is simple – in the movies

From Mrs Roberta Back.

Sir, I refer to the review of *Life is Beautiful* ("To smile is to defile the century's greatest suffering", FT Weekend, March 13-14). I too felt a sense of unease when watching this "comedy". We finally have the cinematic version of "the banality of evil". By belittling the unspeakable and unimaginable, horror becomes palatable. At last, we can sleep peacefully at night without disturbing dreams. The (usually absent) Italian fascists are just ludicrous, and the sinister Germans are, as always, just nasty. Life is, indeed, "bella" and simple when one can make and sell a movie like that. Only trouble is, life was not (and is not) like that.

Roberta Back, 122 chemin du Baou des Noirs, 01640 Venec, France

Asian victims' wartime sufferings no less acute

From Kwok Yew Meng.

Sir, Your article "Putting a price on barbarity" (FT Weekend, March 6-7) revealed a stark contrast in the issue of compensation for the second world war victims between Jewish victims and Asian victims.

While the latter did not suffer the large-scale atrocities of the Holocaust, their sufferings during the Japanese invasions as well as during Japanese occupations were no less terrifying. Yet, as an Asian whose family suffered considerably during the war and the occupation in Singapore, I can only sense a quiet resignation among the Asian victims.

To the Japanese, compensation for the Asian victims of Japanese atrocities has already been given out many years ago and justice has already been served. This was demonstrated in the Japanese court's recent decision to throw out the case on the issue of compensation to comfort women (the only vocal Asian group). But for many Asians, there will never be complete closure as long as the Japanese do not take full cognizance of the pain that they inflicted on their Asian neighbours.

The only solace that we have is that our post-war Japanese friends, due more to the social and economic conditions in Japan rather than a genuine sense of compunction, will be highly unlikely to wage war upon us again. That may be a second best option but, for many Asian victims, it suffices.

Kwok Yew Meng, Takinogawa, Kita-ku, Tokyo, Japan

Whitewashing of the Bronx

From Mr Leonard Benardo.

Sir, As a long-time Stanley Kubrick aficionado and a lifelong Bronx devotee, I could not pass off your mention of Brooklyn as Kubrick's place of birth ("Designer of the Kubrick era", FT Weekend, March 13-14). The Bronx has not received a great deal of positive press since the 1930s and 1940s when Kubrick was a schoolboy. Despite his adult years in England, it would be a shame to whitewash it of Kubrick's memory.

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COMMENT & ANALYSIS

MAN IN THE NEWS ROMANO PRODI

The man who would be Santer

To his supporters abroad, the former Italian prime minister is the ideal next president of the European Commission. **James Blitz** says Italian attitudes are more cynical



The formidable laugh, the love of food and cigars, the regular appearances cycling around the countryside of Emilia Romagna have all helped to build a personal following - one of the reasons why the colder Mr D'Alema finds the professor and his party so electorally dangerous. "If Europe is looking for another Delors, for someone to clean out the commission and lead from the front, then they can forget Prodi," says an ex-Treasury official. "But if they want someone who can give a human face to Brussels, establish good relations with the parliament, give people some sense of belonging to Europe, they may have found their man."

Is Romano Prodi the man to take Europe into the 21st century? At the end of a tumultuous week in Brussels, the bespectacled former Italian premier has emerged as the man to beat in the race to become the next president of the European Commission. Honest and down to earth, and with enormous experience of economic management, the 58-year-old Mr Prodi is being promoted as a political heavyweight whose government took Italy into the European single currency against all the odds. Of course, there are early days and there are other contenders, such as Javier Solana, the Nato secretary-general. But with the eager support of the German and UK governments, Mr Prodi seems the man with all the qualifications for the job. Yet, inside Italy, attitudes to him are different. The Rome government is waging a ferocious campaign to get him to Brussels, for sure. True, too, there is public affection for the relaxed, affable Mr Prodi. Yet some Italians find his international reputation exaggerated. To them, he seems a ditherer, a man of little vision. And they suspect that the real concern of prime minister Massimo D'Alema is to move a dangerous rival out of Italian domestic politics. These con-

flicting views point to a personality of greater complexity than either his supporters or his critics allow. Mr Prodi is not a career politician. A university professor, he specialised in Italy's small and medium sized industries (his one book is on the ceramic tiles industry). His casual manner belies driving ambition, however. In the 1980s, he became chairman of Iri, Italy's mammoth state holding company. His mainstream political experience began four years ago, when Italy's centre-left parties in an attempt to broaden their appeal, plucked out this reform-minded Christian Democrat and put him at the head of a coalition that won the 1996 general election. But prime minister Prodi had no political base of his own, and his government fell last October, weeks before Italy's entry into the euro.

That experience grounded Mr Prodi in the ungenteal art of politics. He knows the selection of a European commission president is fraught with difficulty, and that a candidate must get unanimous approval from EU states. Under the right circumstances (which for him mean a five-year posting with the power to approve commissioners) he would love the job. But he knows it would do him no good to look eager for it, so he has said little on the matter. Besides, why canvass for the post when his successor as premier is doing it for him so assiduously? Mr D'Alema has a barely concealed contempt for his predecessor (the feeling is mutual). He took the premiership from Mr Prodi after last year's government crisis. But now, Lazarus-like, Professor has come back from the political dead and formed his own party. If he fails to get the job in Brussels, he looks set to rout the parties in Mr D'Alema's ailing government at June's European elections. Hence the suspicion that Mr D'Alema's backing for his

rival has a hidden agenda. As they weigh up the pros and cons of Italy's candidate for the presidency, Italy's European partners will doubtless look beyond the introverted world of Italian politics. But what do they make of him? In Europe, there is admiration for Mr Prodi's honesty (he was in the thick of the corrupt world of Italian Christian Democracy but was never touched by it). He is seen as the architect of Italy's entry into the single currency, slashing its budget deficit and controlling its debt mountain to do so. In Britain, feelings are especially warm. Mr Prodi projects himself as someone of Anglo-Saxon leanings, a rare European who understands the need for structural economic reform and who himself pushed through a massive privatisation programme when in office. A graduate of the London School of Economics, a one-time adviser to Goldman Sachs, he speaks English

with a heavy Bologna accent. He is close to Tony Blair, liked by Bill Clinton and was the only other world leader at their Third Way summit in Washington last year. But in Italy, there is far more cynicism. "He has ability, yes, but has had a lot of luck," says one who knows him well. "In no way is he a hard man, a man of vision, a person who can lead an overhaul of Europe's institutions." The contrast is regularly made between Mr Prodi and Giuliano Amato, another ex-premier. "Amato is a big thinker, a statesman whose 1992 government took the really big axe to Italy's public finances. Prodi, by contrast, has just muddled through."

This view cannot be lightly dismissed. When Mr Prodi came to office in May 1996 he spent the first few months trying to delay the start for the single currency. Not force Italy to meet it. "He went to Madrid in September of that year and found out that Spain was determined to make the start date," says a one-time ally. "Only on the plane home did he decide he had to do the same." On economic reform, judgment is also qualified. He sold off Telecom Italia - the "mother of all privatisations". But the sell-off was a blunt exercise in raising cash to bring down Italy's debt. His unwillingness to overhaul the group before the sell-off goes a long way to explaining why it is today the object of a takeover bid from a company a fraction its size. And yet for all the criticism, some believe that Mr Prodi is well qualified to take the commission presidency for a reason few Europeans yet mention - an affability and easy-going manner that would give some character to the commission. For a man who has spent most of his life as a technocrat, the ex-professor has had remarkable success in carving a political image.

Just what the patient ordered

The practice of advertising drugs is spreading. **David Pilling** says it will transform health services in Europe, as it has done in the US

Bob Dole is talking quietly, authoritatively. The problem, he says, takes courage to address. The former US vice-president mentions the difficulty several times, referring to it as "ED". He is talking about erectile dysfunction. And he never once refers to the product that immediately springs to mind - Viagra.

But this is an advertisement for Viagra. On television and in print, it bears the logo of Pfizer, the US company that makes the world's most famous little blue pill.

The advertisement is remarkable in two ways. First, the fact that Viagra is never mentioned shows just how strong a brand Pfizer possesses. Brands conjured up by the power of association alone are strong indeed. Second, Mr Dole's endorsement shows just how much the public advertising of drugs - which was once banned - has become part of the mainstream.

Advertisements for prescription drugs have become commonplace in America since the Food and Drug Administration relaxed regulations in August 1997. Though the practice is still banned in Europe, pressure for change is growing if it were legalised, it would have an even bigger impact on the nationalised health services of Europe than it has already had on the private ones of the US.

Historically, the relationship between pharmaceutical company and patient has been policed by doctors. Instead of selling drugs direct to customers (who do not have the knowledge to prescribe for themselves), companies have communicated with the system's gatekeeper - the physician.

But in the US the strict demarcation gradually broke down as pharmaceutical companies learned to sidestep restrictions. They created consumer demand



through "disease awareness campaigns" that "advertised" a disease, without promoting a specific remedy. Conversely, they pushed particular brands without saying what they were for. Americans were thus subjected to a welter of information about diseases with unnamed cures and cures for unnamed diseases. Eighteen months ago, the FDA ended that farce by allowing drug companies to advertise prescription products, even on television, as long as they mentioned side-effects. Drug companies have seized their chance. Since rules were relaxed, they have piled an astonishing \$3bn into direct-to-consumer (DTC) advertising.

"We've long believed that providing information to healthcare consumers (patients), motivating them to seek information about their disease or treatment alternatives is absolutely the right thing to do," says Donald Hayden, president of worldwide medicines at Bristol-Myers Squibb. "The DTC change has opened up a new

avenue to do that." Partly as a result, Americans are swallowing pills in record quantities. Last year, sales leapt 11 per cent to \$74bn. More important than the average, though, is what is happening to particular medicines. Some drugs have become household names: Prozac for depression, Claritin for allergies, Rogaine for baldness, Celebrex for arthritis and Imbrex for migraine. Patients are demanding brand-name drugs, sometimes as part of a preventative regimen, for high cholesterol, osteoporosis and dozens of other conditions. Doctors, many of whom oppose advertisements, say patients are coming to them insisting on prescriptions of specific brands. If they don't get what they want, some go to another doctor. And they - or their health insurer - will pay for it. The hard-sell tactics in the US are a far cry from Europe where doctors and public health officials still rule the roost. Consumer pull is minimal. Doctors hide their prescribing decisions behind an

advertising increasingly hard to justify; after all, why should information about drugs be available only to internet users?

In addition, the net makes it easier for consumers to organise campaigns for particular drugs. "Consumer pressure is going to become more and more important," says Mr Garnier. "You can mobilise a group of patients through the internet. That will start to create pressure on what governments can or cannot forbid."

That is already happening. In the UK, the Medicines Control Agency last month gave permission to the British Medical Journal to include paid-for drug advertisements in its online edition. And European commissioners openly discuss lifting the ban on DTC advertising.

In some countries, drug companies are already testing existing legislation, says Gilbert Mertens, author of a report on DTC. In Germany, for example, BASF - which makes a slimming pill called Meridia - is running an "educational campaign" about new treatments for obesity.

Pfizer says the Bob Dole advertisement - which is also not product specific - would "make an interesting test case". Change in Europe is not likely to be as swift or as sweeping as it has been in America. Even in the US, there are doubts within the FDA and among consumer associations, physicians and insurers.

The industry itself fears a public backlash and worries that it may be exposing itself to liability suits.

Nevertheless, the trend towards more information appears irreversible - on both sides of the Atlantic. As Per Wold-Olsen, president of human health for Europe at Merck asks: "Can a modern society really set a policy agenda to deprive the public of information?"

Change of flight plan for corporate travel

Airlines are destroying the traditional business of travel agents, who are having to reinvent themselves, says **Michael Skapinker**

Is your journey really necessary? This is the question British Aerospace's new travel agents will put to staff before they set off on a sales mission.

Rosenbluth International, the US company which last week won BA's travel management contract, offers its clients video conference links as an alternative to travel. Pieter Rieder, Rosenbluth's European business development director, says: "We're looking not just at managing BA's travel, but also their travel avoidance."

But why is a travel agent not urging clients to fly at every opportunity? Don't they make their money selling aircraft tickets and pocketing the commission?

Many travel agents, particularly smaller ones, do still make their money that way. But they are finding it increasingly difficult. Airlines are attacking the traditional business by slashing commissions and encouraging customers to book over the internet, rather than through an agent.

To survive, travel agents have had to reconsider their role. Instead of acting as intermediaries between airlines and passengers, they are re-casting themselves as the corporate traveller's advisers. Many are banding their commissions on to their corporate clients and charge companies a fee to manage their travel requirements.

Iain Robinson, head of UK corporate travel at American Express, one of the world's leading travel agents, estimates that 65 per cent of his customers now pay a management fee. When he joined American Express 15 months ago, the figure was under 50 per cent.

"It really has changed," says Brigitte Ringdahl, corporate travel manager at Ericsson, the Swedish telecommunications group. "The travel agents have decided the corporation, rather than the airline, is their closest friend."

To Ms Ringdahl, this change is long overdue. For years, airlines and travel agents enjoyed a cosy co-existence. The airline industry was regulated and fares were high. The carriers paid agents a commission of up to 10 per cent on every ticket sold. The agents had no reason to negotiate lower fares and every incentive to encourage their corporate clients' staff to travel.

"The travel agents and the airlines lived the same sheltered life," Ms Ringdahl says.

Why has this changed? The deregulation of the US and European airline industries has increased competition and encouraged low-fare airlines to enter the market. The established carriers have responded by cutting labour costs and putting in-flight catering and aircraft maintenance out to contract.

In the past few years, they have begun to attack their distribution costs by cutting travel agents' commissions too. The commission-cutting trend, which began in the US, has spread to Europe.

British Airways last year cut commissions from 9 per cent to 7 per cent for international flights, but said agents could earn more by selling a specified number of tickets. This year, BA ended the extra payments, except for some favoured agents.

As well as cutting costs, the airlines want to learn more about their customers by selling to them directly

rather than through agents. BA has this year put its online booking system on to two companies' in-house computer networks, allowing their staff to book tickets directly. It expects up to 80 companies to install its system this year.

How can the travel agents fight back? Some are installing their own online booking systems in clients' premises. Others are looking for additional forms of business. American Express has begun to buy blocks of airline tickets at a discount to sell to its corporate clients.

BA says it does not like this idea, because it interferes with its attempt to deal with customers directly. "Amex and one or two others have approached us on this and we've said 'no thanks'," says Dan Brewin, BA's UK head of sales.

But David Guillebaud, vice-president of consultants Arthur D. Little, believes the idea of travel agents buying tickets in bulk is logical because they know so much about their corporate clients' future travel needs. Mr Guillebaud believes this development can be taken further. He is advising a group of unnamed investors who are considering setting up an airline ticket futures exchange. This would allow companies or their agents to buy blocks of seats for future travel, while giving airlines the security of having sold a proportion of their seats at a certain price.

"They could hedge their risk in exactly the same way as a wheat farmer in the Midwest can hedge his risk on the Chicago grain futures exchange." It's a long way from earning 10 per cent on a New York to Miami ticket.

Death and the salesmen

Australian television has made history by screening an advertisement for voluntary euthanasia. **Gwen Robinson** reports on the uproar this has caused

Advertising medicine to the public is controversial enough (see above). But what about advertising euthanasia? That question confronted Australian television viewers this week, when a 90-second clip made advertising history - and, in the eyes of its critics, exceeded all moral and ethical boundaries.

The advertisement, inconspicuously slotted into a bland mid-morning TV diet of children's shows and variety hours, showed a terminally ill woman in bed, choking back tears and pleading for the right to die.

Sponsored by the Voluntary Euthanasia Society of NSW, the clip features June Burns, a 54-year-old who is dying of incurable bladder cancer. Leaning back on pillows, she speaks directly to the camera about the pain that not even morphine can relieve.

"Human beings are treated worse than animals," she observes. "If I was a dog, by now the RSPCA would be on to my husband for cruelty and would have me put

down straight away... I don't want to have to kill myself, but if nobody can help me, I'm going to have to. I feel life is very precious and I've enjoyed every moment of it and I wish I could go on, but I can't, and I'd like to die with dignity." The commercial has triggered fresh debate both regarding the limits of advertising and the ethics of assisting people to kill themselves. The latter issue is especially fierce in Australia, where one of the world's first laws permitting voluntary euthanasia was passed in 1997, in the Northern Territory. Four terminally ill people were allowed to be killed under the law before the national government intervened to overturn the legislation eight months later.

Mrs Burns, a member of the Voluntary Euthanasia Society, decided to launch the society's television campaign after watching her father die slowly of the same kind of cancer. She agreed to allow the society's cameras to track her last weeks, or months, with regular

"updates" on her physical deterioration. The commercial's screening coincided with the campaign for state elections in New South Wales, to be held next weekend. Its aim was political: Giles Yates, the society's president, said he hoped that the commercial would prompt a state referendum on the issue of voluntary euthanasia.

By design or unspoken consensus, most political parties have so far avoided taking a stance on the issue. In publicity terms, however, the uproar unleashed has delivered a huge public relations victory to the assisted-suicide lobby.

Channel Nine, which screened the advertisement, said it had received few complaints from viewers but numerous calls of support. Many had telephoned the network's branches in other states to urge national screening of the commercial. But its critics have had field day. One described the planned advertising campaign as a "slow-motion, legalised snuff movie". The Catholic archbishop of Syd-

ney, Cardinal Edward Clancy, said that "any society that tolerates such a commercial... has already succumbed to a culture of death, and is on the edge of despair".

Others focused on the tension between the demands of television and Mrs Burns' personal experience. "She is a real woman, her death sentence is real and the points she makes are important," wrote Andrew McKenzie in The Australian.

But when her appeal was sandwiched between ads for retailers and hamburgers, it demeaned the message. And, he asked, "What happens if she starts to recover or she changes her mind? Perhaps they will bring in an actor to finish the series off?"

More disturbing is the assertion that the campaign might encourage the old and infirm to take their lives. "In most cases, the desire of family members to hasten the death of a loved one will be entirely altruistic. Unfortunately, that will not be so in all cases, and in many, the line will be blurred. When dealing with human

life, such ambiguity is dangerous," wrote the Sydney Morning Herald.

John James, an official at Right to Life Australia, said that, after seeing the advertisement, a woman with bladder cancer phoned him to say the ad had plunged her from feeling optimistic about the course of her illness to being distressed and depressed. "A right to die," argues Dr James, quickly becomes a duty to die.

Some critics have tried to challenge the advertisement's legality, arguing it could incite people to suicide or that it contravenes "bad taste" provisions of broadcasting regulations.

Australia's television watchdog, the Federation of Australian Commercial Television Stations, approved the commercial for screening in New South Wales, the country's most populous state, while restricting it to daytime screening.

The Advertising Standards Board, the industry regulator, could make a recommendation to withdraw a commercial, but it does not have



June Burns: her televised plea to be allowed to 'die with dignity' has sparked outrage. Reuter

the authority to enforce a ban. "The only other way it could be taken off air is if a legal injunction is taken by a group against the station or the makers" a federation spokesman said.

The public controversy, however, may prompt Mrs Burns to reconsider her decision to update the advertisement regularly. Her hus-

band, Bob Burns, said the media attention had been "very stressful". The Burns' rural property in Queensland had been inundated with telephone calls from journalists, while helicopters with camera crews had flown over their house, he said.

But there is more controversy to come. While reconsidering the idea of further ads, Mrs Burns is now negotiating a deal with a television current affairs programme, 60 Minutes, to film her final hours. The programme's executive producer confirmed the negotiations but said he would "never contemplate" allowing Mrs Burns to die on camera.

money, books

some insanity cramping to be and human insight, neither of parade of pleasures by which Lil' fan bargain to thrill to here and a decade ago.

Oil futures fall after brief gains

WEEK IN THE MARKETS

By Philip Coggan, Markets Editor

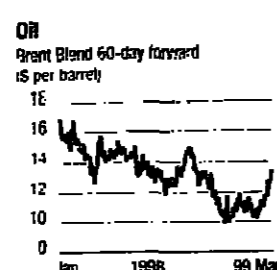
Crude oil consolidated its recent gains yesterday after a week in which the Brent future briefly reached a five-month high. The May Brent contract traded one cent lower at \$13.36 a barrel.

The increase in the price followed reports that several members of the Organisation of Petroleum Exporting Countries are informing customers of production cuts. Opec has attempted to push the price higher in recent years, but its quotas have regularly been exceeded (and non-members have taken up the slack), causing those attempts to fail.

This time Saudi Arabia, Iran, Kuwait, Mexico, Norway and Algeria have indicated their willingness to cut production, starting on April 1. Planned cuts total about 2m barrels a day, and Opec meets in Vienna next week to confirm the details.

Traders estimate, however, that stocks of oil total about 500m barrels, with consumption running at about 70m barrels a day. The gain in the oil price, which briefly dipped below \$10 late last year, helped spark a rally in shares of leading oil companies, such as BP Amoco and Royal Dutch/Shell this week.

The price of gold held up well yesterday despite comments from Michael Camdessus, managing director of the International Monetary Fund, about sales of some of the fund's reserves. "We



Oil futures prices

Source: Datastream

Oil futures prices

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BASE METALS

LONDON METAL EXCHANGE

(Prices from Amalgamated Metal Trading)

■ ALUMINIUM, 99.7 PURITY (\$ per tonne)

Close 1209.45 1207.45

Previous 1209.45 1207.45

High/Low 1209.45 1207.45

AM Official 1209.45 1207.45

Open int. 286.603

Total daily turnover 188.749

■ ALUMINIUM ALLOY (\$ per tonne)

Close 1093.8 1114.5

Previous 1093.8 1114.5

High/Low 1093.8 1114.5

AM Official 1093.8 1114.5

Open int. 9.987

Total daily turnover 2.703

■ LEAD (\$ per tonne)

Close 504.5 506.5

Previous 504.5 506.5

High/Low 504.5 506.5

AM Official 504.5 506.5

Open int. 35.646

Total daily turnover 10.588

■ NICKEL (\$ per tonne)

Close 5125.25 5185.00

Previous 5125.25 5185.00

High/Low 5125.25 5185.00

AM Official 5125.25 5185.00

Open int. 74.651

Total daily turnover 19.173

■ TIN (\$ per tonne)

Close 3330.40 3260.70

Previous 3330.40 3260.70

High/Low 3330.40 3260.70

AM Official 3330.40 3260.70

Open int. 5.205

Total daily turnover 3.240

■ COPPER, GRADE A (\$ per tonne)

Close 1385.5 1395.5

Previous 1385.5 1395.5

High/Low 1385.5 1395.5

AM Official 1385.5 1395.5

Open int. 18.077

Total daily turnover 41.877

■ LME A&B Official 2/5 rate: 1.6285

LME Clearing 2/5 rate: 1.6305

Spot: 1.6303 3 mths: 1.6324 6 mths: 1.6334 9 mths: 1.6342

■ HIGH GRADE COPPER (COMEX)

Sett. Day's price change High Low Vol. Open

Mar 61.30 -0.35 61.80 61.00 484 642

Apr 61.35 -0.20 62.05 61.25 222 408

May 61.75 -0.10 62.60 61.25 8,933 41,233

Jun 62.30 -0.10 62.65 62.30 37 1,324

Jul 62.60 -0.10 63.45 62.40 419 9,817

Aug 62.95 -0.10 63.35 63.35 6 1,525

Total 16,889 77,302

■ GOLD FUTURE (\$ per ounce)

Sett. Day's price change High Low Vol. Open

Mar 373.75 -0.25 374.00 373.50 1 1

Apr 373.75 -0.25 374.00 373.50 1 1

May 373.75 -0.25 374.00 373.50 1 1

Jun 373.75 -0.25 374.00 373.50 1 1

Jul 373.75 -0.25 374.00 373.50 1 1

Aug 373.75 -0.25 374.00 373.50 1 1

Sep 373.75 -0.25 374.00 373.50 1 1

Oct 373.75 -0.25 374.00 373.50 1 1

Nov 373.75 -0.25 374.00 373.50 1 1

Dec 373.75 -0.25 374.00 373.50 1 1

Total 1 1

■ SILVER FUTURE (\$ per ounce)

Sett. Day's price change High Low Vol. Open

Mar 5.00 -0.01 5.01 5.00 1 1

Apr 5.00 -0.01 5.01 5.00 1 1

May 5.00 -0.01 5.01 5.00 1 1

Jun 5.00 -0.01 5.01 5.00 1 1

Jul 5.00 -0.01 5.01 5.00 1 1

Aug 5.00 -0.01 5.01 5.00 1 1

Sep 5.00 -0.01 5.01 5.00 1 1

Oct 5.00 -0.01 5.01 5.00 1 1

Nov 5.00 -0.01 5.01 5.00 1 1

Dec 5.00 -0.01 5.01 5.00 1 1

Total 1 1

■ PLATINUM FUTURE (\$ per ounce)

Sett. Day's price change High Low Vol. Open

Mar 571.7 -0.2 571.9 571.5 1 1

Apr 571.7 -0.2 571.9 571.5 1 1

May 571.7 -0.2 571.9 571.5 1 1

Jun 571.7 -0.2 571.9 571.5 1 1

Jul 571.7 -0.2 571.9 571.5 1 1

Aug 571.7 -0.2 571.9 571.5 1 1

Sep 571.7 -0.2 571.9 571.5 1 1

Oct 571.7 -0.2 571.9 571.5 1 1

Nov 571.7 -0.2 571.9 571.5 1 1

Dec 571.7 -0.2 571.9 571.5 1 1

Total 1 1

■ PALLADIUM FUTURE (\$ per ounce)

Sett. Day's price change High Low Vol. Open

Mar 358.20 -0.20 358.40 357.80 1 1

Apr 358.20 -0.20 358.40 357.80 1 1

May 358.20 -0.20 358.40 357.80 1 1

Jun 358.20 -0.20 358.40 357.80 1 1

Jul 358.20 -0.20 358.40 357.80 1 1

Precious Metals continued

■ GOLD COMEX (100 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol. Open

Mar 373.75 -0.25 374.00 373.50 1 1

Apr 373.75 -0.25 374.00 373.50 1 1

May 373.75 -0.25 374.00 373.50 1 1

Jun 373.75 -0.25 374.00 373.50 1 1

Jul 373.75 -0.25 374.00 373.50 1 1

Aug 373.75 -0.25 374.00 373.50 1 1

Sep 373.75 -0.25 374.00 373.50 1 1

Oct 373.75 -0.25 374.00 373.50 1 1

Nov 373.75 -0.25 374.00 373.50 1 1

Dec 373.75 -0.25 374.00 373.50 1 1

Total 1 1

■ PLATINUM NYMEX (50 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol. Open

Mar 571.7 -0.2 571.9 571.5 1 1

Apr 571.7 -0.2 571.9 571.5 1 1

May 571.7 -0.2 571.9 571.5 1 1

Jun 571.7 -0.2 571.9 571.5 1 1

Jul 571.7 -0.2 571.9 571.5 1 1

Aug 571.7 -0.2 571.9 571.5 1 1

Sep 571.7 -0.2 571.9 571.5 1 1

Oct 571.7 -0.2 571.9 571.5 1 1

Nov 571.7 -0.2 571.9 571.5 1 1

Dec 571.7 -0.2 571.9 571.5 1 1

Total 1 1

■ PALLADIUM NYMEX (100 Troy oz; \$ per oz)

Sett. Day's price change High Low Vol. Open

Mar 358.20 -0.20 358.40 357.80 1 1

Apr 358.20 -0.20 358.40 357.80 1 1

May 358.20 -0.20 358.40 357.80 1 1

Jun 358.20 -0.20 358.40 357.80 1 1

Jul 358.20 -0.20 358.40 357.80 1 1

Aug 358.20 -0.20 358.40 357.80 1 1

Sep 358.20 -0.20 358.40 357.80 1 1

Oct 358.20 -0.20 358.40 357.80 1 1

Nov 358.20 -0.20 358.40 357.80 1 1

Dec 358.20 -0.20 358.40 357.80 1 1

Total 1

DATABANK



UNIT TRUSTS

Winners and losers

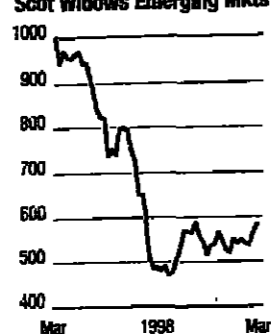
TOP FIVE OVER 1 YEAR:

Fidelity American	1,920
Johnson Fry New Japan	1,584
Invesco Japan Smaller Cos	1,510
Aberdeen Pacific Technology	1,481
Gartmore PS Japan Sm Cos Str	1,464

BOTTOM FIVE OVER 1 YEAR:

Scott Widows Emerging Mkts	547
Perpetual Latin American Glt	562
Edinburgh Latin American A	580
Scott Widows Emerging Markets	584
AB Govett Latin America	588

Scott Widows Emerging Mkts



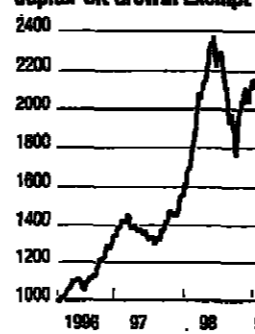
TOP FIVE OVER 3 YEARS:

Fidelity American	2,820
TU European	2,432
Jupiter UK Growth Exempt	2,291
Old Mutual North American	2,146
Invesco European Growth	2,129

BOTTOM FIVE OVER 3 YEARS:

Save & Prosper Gold & Exptn	247
Old Mutual Thailand Acc	257
Gartmore Gold & Int'l Resource	403
M&G Gold	403
Lazard Pacific Growth	414

Jupiter UK Growth Exempt



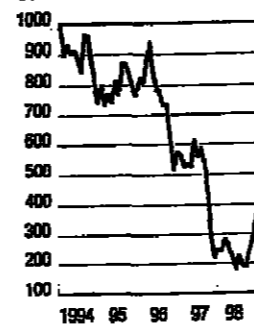
TOP FIVE OVER 5 YEARS:

Fidelity American	3,691
GA North America Growth	3,514
Aberdeen Pacific Technology	3,411
Edinburgh North American A	3,151
TU European	2,936

BOTTOM FIVE OVER 5 YEARS:

Save & Prosper Gold & Exptn	320
Old Mutual Thailand Acc	331
Save & Prosper Korea	354
Schroder Seoul	416
Schroder Japan Small Cos Acc	430

Schroder Seoul



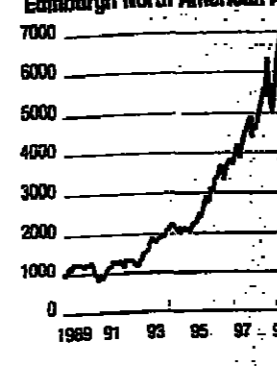
TOP FIVE OVER 10 YEARS:

Aberdeen Pacific Technology	10,269
GA North America Growth	8,771
Fidelity American	8,186
Edinburgh North American A	7,394
Henderson Global Technology	7,251

BOTTOM FIVE OVER 10 YEARS:

Barclays Japan	407
M&G Japan Acc	493
Invesco Japan Growth	546
Johnson Fry Smaller Cos	575
HSC Japan Index	604

Edinburgh North American A



Source: Lipper (Feb 1999) (1989-1998)

Indices

Index	1 year (%)	3	5	10	Volatility	Yield
Average Unit Trust	1009	1301	1494	2780	4.4	2.3
Average Investment Trust	1006	1419	1521	2952	6.3	4.7
Bank	1043	1120	1206	1732	0.1	3.9
Building Society	1040	1113	1201	1733	0.0	4.0
Stockmarket: FTSE All-Share	1059	1694	2071	3676	3.6	2.7
Inflation	1019	1038	1156	1472	0.3	-

UK Growth

Index	1 year (%)	3	5	10	Volatility	Yield
Jupiter UK Growth Exempt	1087	2291	-	-	4.8	0.8
Exeter Capital Growth	989	2033	2052	-	6.7	-
Lloyds TSB Environmental Inv	1054	1844	2091	-	3.9	0.7
Johnson Fry Smaller Growth	988	1836	-	-	4.3	1.1
Thornhill Capital	1088	1829	2036	-	4.0	0.6
SECTOR AVERAGE	991	1499	1720	2653	3.9	1.4

UK Growth & Income

Index	1 year (%)	3	5	10	Volatility	Yield
Fleming Select UK Income	1059	1832	2181	3045	3.8	2.9
Fidelity Moneybuilder Index	1075	1810	-	-	4.1	2.1
Direct Line FTSE 100 Tracker	1067	1808	-	-	3.8	2.2
River & Mercantile Top 100	1072	1790	-	-	3.8	2.3
Laurence Keen Income & Growth	1020	1780	1974	-	3.7	2.9
SECTOR AVERAGE	1010	1549	1777	2849	3.7	2.0

UK Smaller Companies

Index	1 year (%)	3	5	10	Volatility	Yield
INVESTCO UK Small Cos Acc (ST)	1132	1791	1678	-	4.3	2.2
Henderson Exempt Cynnet	1058	1736	1806	-	4.4	1.8
BWD UK Smaller Cos	948	1569	1817	-	5.3	0.7
Gartmore UK Smaller Co Inc	876	1557	2042	2333	5.1	1.1
Laurence Keen Smaller Cos	969	1529	2193	-	4.4	1.5
SECTOR AVERAGE	915	1223	1382	1931	4.5	1.6

UK Equity Income

Index	1 year (%)	3	5	10	Volatility	Yield
BWD UK Equity Income	1045	1769	2102	3366	3.4	3.2
Jupiter Income	1094	1764	2223	3360	3.3	3.2
Fidelity Income Plus	1022	1726	1847	2409	3.4	3.8
Investec OF Income Share	1028	1717	-	-	4.0	6.1
Newton High Income	1018	1687	1940	3285	3.8	4.1
SECTOR AVERAGE	983	1507	1888	2713	3.5	3.7

UK Equity & Bond Income

Index	1 year (%)	3	5	10	Volatility	Yield
Abbey National Extra Income	1030	1594	1680	3320	2.5	4.1
CGU PPT High Yield	1065	1569	1651	2495	2.7	5.2
Edinburgh UK Income A	1023	1560	1733	2158	3.0	3.3
CGU UK Income	992	1555	1723	-	2.9	3.2
Jupiter High Income	1019	1532	-	-	3.2	4.0
SECTOR AVERAGE	997	1425	1545	2350	2.6	4.7

UK Eq & Bd

Index	1 year (%)	3	5	10	Volatility	Yield
Perpetual High Income	989	1552	1883	4538	3.9	3.2
NPI Extra Income Ret	1076	1574	1876	-	3.0	1.6
Carlife Income Dis	987	1539	1772	2806	3.2	2.6
AXA Sun Life High Yield	987	1536	1867	2483	3.2	2.5
Lloyds TSB Extra Income	973	1515	1876	2655	3.2	3.5
SECTOR AVERAGE	988	1506	1752	3042	3.2	2.6

UK Fixed Interest

Index	1 year (%)	3	5	10	Volatility	Yield
CGU PPT Preference	1088	1557	1883	2287	2.2	5.8
Morgan Gren HP Annuity Conv Ex	1105	1545	-	-	1.7	4.7
Aberdeen Pacific Sg Bond	1100	1525	1847	2221	1.4	4.8
CGU PPT Monthly Income Plus	1052	1510	1880	-	1.7	6.7
M&G Corporate Bond	1107	1487	-	-	1.8	5.3
SECTOR AVERAGE	1084	1357	1450	2153	1.3	5.6

UK Gilt

Index	1 year (%)	3	5	10	Volatility	Yield
Fleming Select Long-dated Gilt	1195	1722	-	-	2.2	5.2
Fidelity Institutional Lg Bln	1192	1684	-	-	2.1	5.2
Mercury Long-Dated Bond	1107	1553	1686	-	2.0	3.1
M&G Gilt & Fixed Interest	1129	1483	1980	2344	1.5	4.1
Fleming Select UK Index Linked	1173	1470	-	-	1.3	2.0
SECTOR AVERAGE	1101	1347	1398	2187	1.3	4.6

Far East ex Japan

Index	1 year (%)	3	5	10	Volatility	Yield
Friends Prov Australian	1008	1127	1284	2940	5.2	-
HSC Hong Kong Growth	840	1010	1195	3851	9.7	2.3
Fidelity South East Asia	1000	857	1042	3201	9.0	1.3
Henderson Asian Enterprise	996	817	871	-	6.8	1.1
INVESTCO Hong Kong & China	727	813	837	2642	9.8	2.0
SECTOR AVERAGE	890	805	865	2032	6.8	1.2

Far East Inc Japan

Index	1 year (%)	3	5	10	Volatility	Yield
Jupiter Far Eastern	1224	1008	923	1933	7.9	-
Save & Prosper Far East Sm Cos	1119	899	747	-	6.0	0.0
Smith & Williamson Far East	1003	827	749	1412	5.9	0.3
Dresdner RCM Oriental Income	1024	795	818	1653	6.4	2.7
Royal & SunAll Far East	1039	787	856	1122	6.1	1.1
SECTOR AVERAGE	971	700	708	1432	6.6	0.9

Japan

Index	1 year (%)	3	5	10	Volatility	Yield
Baillie Gifford Japanese	1245	1023	946	1362	5.9	-
INVESTCO Japan Growth (GT)	1122	991	993	1219	3.4	-
Murray Japan Growth	1277	990	998	-	5.8	-
Newton Japan	1084	969	895	1052	6.2	-
Martin Currie Japan	1141	859	930	-	5.8	-
SECTOR AVERAGE	1146	738	668	892	6.4	0.4

Europe

Index	1 year (%)	3	5	10	Volatility	Yield
TU European	1380	2432	2936	-	4.8	1.3
INVESTCO European Growth	1291	2129	2676	-	6.9	-
Baring German Growth	1244	2128	2567	-	6.2	0.5
Newton European	1119	1999	2598	4652	5.8	0.6
Gartmore European Sel Opps	1105	1885	2740	5472	6.0	-
SECTOR AVERAGE	1038	1613	1970	3923	5.5	0.7

Global Emerging Mkts

Index	1 year (%)	3	5	10	Volatility	Yield
Gartmore PS Emerging Markets	776	800	826	-	6.1	1.0
Stewart Ivory Emerging Market	710	792	718	-	6.1	1.2
Hill Samuel Global Emerg Mkts	722	784	-	-	7.7	-
Save & Prosper Emerging Mkts	738	756	643	-	9.4	1.0
Mercury Emerging Markets	686	732	708	-	8.5	3.3
SECTOR AVERAGE	715	691	585	1627	8.0	1.4

International Equity Income

Index	1 year (%)	3	5	10	Volatility	Yield
INVESTCO International Income	1086	1610	1895	3917	3.6	2.2
Premier Global 100	1206	1597	1771	2013	4.3	-
Mayflower Global Income	985	1431	1588	2513	3.4	2.2
M&G International Income	988	1316	1486	3042	3.6	4.0
SECTOR AVERAGE	1051	1488	1680	2946	3.7	3.0

International Fixed Interest

Index	1 year (%)	3	5	10	Volatility	Yield
Newton International Bond	1091	1257	1301	-	1.7	4.0
Marlborough Managed	1033	1231	1384	2459	1.5	2.9
AGS Int'l Bond & Convertible	1022	1228	1254	-	1.1	5.3
Barclays BGI Int'l Fx Interest	1053	1224	1299	-	1.0	4.1
City Financial Int'l Cap Accum	1054	1198	1214	2109	1.8	7.2
SECTOR AVERAGE	1042	1063	1180	1924	1.7	4.5

International Equity & Bond

Index	1 year (%)	3	5	10	Volatility	Yield
Fleming General Opportunities	1073	1530	1641	-	2.8	2.9
GA Income Portfolio	1050	1495	1568	-	3.7	2.5
MT General	1077	1462	-	-	3.8	5.2
Bank of Ireland Ex Mgd Growth	1050	1451	1777	3532	3.7	1.2
Gartmore PS Medium Term Balan	1128	1423	1587	2754	2.2	2.2
SECTOR AVERAGE	1052	1319	1448	2951	3.0	2.2

International Growth

Index	1 year (%)	3	5	10	Volatility	Yield
Fidelity Managed International	1388	1970	2335	4533	5.6	3.4
Scott Equitable Technology	1382	1839	2686	6844	6.5	-
Gartmore Global Utilities Inc	1201	1807	2021	-	4.6	7.0
Fidelity International PPP	1198	1794	2196	-	4.3	0.5
Aberdeen Pacific Technology	1481	1794	3411	12259	8.2	-
SECTOR AVERAGE	1005	1263	1485	2914	5.1	7.0

Europe

Index	1 year (%)	3	5	10	Volatility	Yield
TU European	1380	2432	2936	-	4.8	1.3
INVESTCO European Growth	1291	2129	2676	-	6.9	-
Baring German Growth	1244	2128	2567	-	6.2	0.5
Newton European	1119	1999	2598	4652	5.8	0.6
Gartmore European Sel Opps	1105	1885	2740	5472	6.0	-
SECTOR AVERAGE	1038	1613	1970	3923	5.5	0.7

Global Emerging Mkts

Index	1 year (%)	3	5	10	Volatility	Yield
Gartmore PS Emerging Markets	776	800	826	-	6.1	1.0
Stewart Ivory Emerging Market	710	792	718	-	6.1	1.2
Hill Samuel Global Emerg Mkts	722	784	-	-	7.7	-
Save & Prosper Emerging Mkts	738	756	643	-	9.4	1.0
Mercury Emerging Markets	686	732	708	-	8.5	3.3
SECTOR AVERAGE	715	691	585	1627	8.0	1.4

International Equity Income

Index	1 year (%)	3	5	10
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	Spring	Summer	Fall	Winter
1. <i>Salix</i>	1.0	1.0	1.0	1.0
2. <i>Salix</i>	1.0	1.0	1.0	1.0
3. <i>Salix</i>	1.0	1.0	1.0	1.0
4. <i>Salix</i>	1.0	1.0	1.0	1.0
5. <i>Salix</i>	1.0	1.0	1.0	1.0
6. <i>Salix</i>	1.0	1.0	1.0	1.0
7. <i>Salix</i>	1.0	1.0	1.0	1.0
8. <i>Salix</i>	1.0	1.0	1.0	1.0
9. <i>Salix</i>	1.0	1.0	1.0	1.0
10. <i>Salix</i>	1.0	1.0	1.0	1.0
11. <i>Salix</i>	1.0	1.0	1.0	1.0
12. <i>Salix</i>	1.0	1.0	1.0	1.0
13. <i>Salix</i>	1.0	1.0	1.0	1.0
14. <i>Salix</i>	1.0	1.0	1.0	1.0
15. <i>Salix</i>	1.0	1.0	1.0	1.0
16. <i>Salix</i>	1.0	1.0	1.0	1.0
17. <i>Salix</i>	1.0	1.0	1.0	1.0
18. <i>Salix</i>	1.0	1.0	1.0	1.0
19. <i>Salix</i>	1.0	1.0	1.0	1.0
20. <i>Salix</i>	1.0	1.0	1.0	1.0
21. <i>Salix</i>	1.0	1.0	1.0	1.0
22. <i>Salix</i>	1.0	1.0	1.0	1.0
23. <i>Salix</i>	1.0	1.0	1.0	1.0
24. <i>Salix</i>	1.0	1.0	1.0	1.0
25. <i>Salix</i>	1.0	1.0	1.0	1.0
26. <i>Salix</i>	1.0	1.0	1.0	1.0
27. <i>Salix</i>	1.0	1.0	1.0	1.0
28. <i>Salix</i>	1.0	1.0	1.0	1.0
29. <i>Salix</i>	1.0	1.0	1.0	1.0
30. <i>Salix</i>	1.0	1.0	1.0	1.0
31. <i>Salix</i>	1.0	1.0	1.0	1.0
32. <i>Salix</i>	1.0	1.0	1.0	1.0
33. <i>Salix</i>	1.0	1.0	1.0	1.0
34. <i>Salix</i>	1.0	1.0	1.0	1.0
35. <i>Salix</i>	1.0	1.0	1.0	1.0
36. <i>Salix</i>	1.0	1.0	1.0	1.0
37. <i>Salix</i>	1.0	1.0	1.0	1.0
38. <i>Salix</i>	1.0	1.0	1.0	1.0
39. <i>Salix</i>	1.0	1.0	1.0	1.0
40. <i>Salix</i>	1.0	1.0	1.0	1.0
41. <i>Salix</i>	1.0	1.0	1.0	1.0
42. <i>Salix</i>	1.0	1.0	1.0	1.0
43. <i>Salix</i>	1.0	1.0	1.0	1.0
44. <i>Salix</i>	1.0	1.0	1.0	1.0
45. <i>Salix</i>	1.0	1.0	1.0	1.0
46. <i>Salix</i>	1.0	1.0	1.0	1.0
47. <i>Salix</i>	1.0	1.0	1.0	1.0
48. <i>Salix</i>	1.0	1.0	1.0	1.0
49. <i>Salix</i>	1.0	1.0	1.0	1.0
50. <i>Salix</i>	1.0	1.0	1.0	1.0
51. <i>Salix</i>	1.0	1.0	1.0	1.0
52. <i>Salix</i>	1.0	1.0	1.0	1.0
53. <i>Salix</i>	1.0	1.0	1.0	1.0
54. <i>Salix</i>	1.0	1.0	1.0	1.0
55. <i>Salix</i>	1.0	1.0	1.0	1.0
56. <i>Salix</i>	1.0	1.0	1.0	1.0
57. <i>Salix</i>	1.0	1.0	1.0	1.0
58. <i>Salix</i>	1.0	1.0	1.0	1.0
59. <i>Salix</i>	1.0	1.0	1.0	1.0
60. <i>Salix</i>	1.0	1.0	1.0	1.0
61. <i>Salix</i>	1.0	1.0	1.0	1.0
62. <i>Salix</i>	1.0	1.0	1.0	1.0
63. <i>Salix</i>	1.0	1.0	1.0	1.0
64. <i>Salix</i>	1.0	1.0	1.0	1.0
65. <i>Salix</i>	1.0	1.0	1.0	1.0
66. <i>Salix</i>	1.0	1.0	1.0	1.0
67. <i>Salix</i>	1.0	1.0	1.0	1.0
68. <i>Salix</i>	1.0	1.0	1.0	1.0
69. <i>Salix</i>	1.0	1.0		

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**PROPERTY
UNIT TRUSTS**

Accruals	311.6	71.7	+4.7	Secure (1)	250.1	271.7	+0.1
Receivables	1955.8	186.3	-12.6	Secure (2)	385.0	406.3	+8.1
Prepaid	67.9	31.1	+0.1	Managed (1)	305.0	315.8	+0.8
Payables	344.4	305.6	-0.9	Managed (2)	155.8	160.9	+0.9
Accruals	464.4	498.6	+0.8	Equity Managed (1)	307.9	319.8	+0.7
Equity Accruals	34.7	105.6	+1.8	Equity Managed (2)	157.1	162.3	+0.7
Reserve	520.5	537.4	+3.0	Administrative (1)	225.4	247.3	+1.8
Equity Reserve	238.1	241.7	+0.7	Administrative (2)	143.0	148.3	+0.7
Other	51.2	52.9	+0.2	US Prod & Serv Int (1)	22.0	240.8	+0.8
Other	12.5	12.5	0.0	US Prod & Serv Int (2)	1.0	1.0	0.0

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Insurances, Money Markets and Other

FT Managed Funds Service
 FT Managed Fund Prices are available over the telephone. Call the FT Managed Fund Desk on (044 171) 872 4378 for more details.

FT MANAGED FUNDS SERVICE

Fund Name				Fund Name				Fund Name			
Price				Price				Price			
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OFFSHORE AND OVERSEAS

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IRELAND (FSA RECOGNISED)		Net Assets	Outgoing	Setting	Dividend	Yield	Dividend	Yield
		£m	Cost	Charge	Payable	%	Payable	%
AB Fund Management Ltd								
AB Irish Cash Plus (FSA Recognised) Ltd								
AB Irish Cash Plus (FSA Recognised) Ltd	01 263 474222							
ABF Investment Funds Ltd								
ABF Irish Cash Plus (FSA Recognised) Ltd								
ABF Irish Cash Plus (FSA Recognised) Ltd	01 263 474222							
ABF Irish Cash Plus (FSA Recognised) Ltd								
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Premier Protected Assets Fund Plc									
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ISLE OF MAN
(REGULATED) (**)

JERSEY
(FSA RECOGNISED)

هكذا مضى إلى أجل

ET MANAGED FUNDS SERVICE

Date			Date			Date			Date		
Day	Month	Year	Day	Month	Year	Day	Month	Year	Day	Month	Year
1	1	2000	1	1	2000	1	1	2000	1	1	2000
2	1	2000	2	1	2000	2	1	2000	2	1	2000
3	1	2000	3	1	2000	3	1	2000	3	1	2000
4	1	2000	4	1	2000	4	1	2000	4	1	2000
5	1	2000	5	1	2000	5	1	2000	5	1	2000
6	1	2000	6	1	2000	6	1	2000	6	1	2000
7	1	2000	7	1	2000	7	1	2000	7	1	2000
8	1	2000	8	1	2000	8	1	2000	8	1	2000
9	1	2000	9	1	2000	9	1	2000	9	1	2000
10	1	2000	10	1	2000	10	1	2000	10	1	2000
11	1	2000	11	1	2000	11	1	2000	11	1	2000
12	1	2000	12	1	2000	12	1	2000	12	1	2000
13	1	2000	13	1	2000	13	1	2000	13	1	2000
14	1	2000	14	1	2000	14	1	2000	14	1	2000
15	1	2000	15	1	2000	15	1	2000	15	1	2000
16	1	2000	16	1	2000	16	1	2000	16	1	2000
17	1	2000	17	1	2000	17	1	2000	17	1	2000
18	1	2000	18	1	2000	18	1	2000	18	1	2000
19	1	2000	19	1	2000	19	1	2000	19	1	2000
20	1	2000	20	1	2000	20	1	2000	20	1	2000
21	1	2000	21	1	2000	21	1	2000	21	1	2000
22	1	2000	22	1	2000	22	1	2000	22	1	2000
23	1	2000	23	1	2000	23	1	2000	23	1	2000
24	1	2000	24	1	2000	24	1	2000	24	1	2000
25	1	2000	25	1	2000	25	1	2000	25	1	2000
26	1	2000	26	1	2000	26	1	2000	26	1	2000
27	1	2000	27	1	2000	27	1	2000	27	1	2000
28	1	2000	28	1	2000	28	1	2000	28	1	2000
29	1	2000	29	1	2000	29	1	2000	29	1	2000
30	1	2000	30	1	2000	30	1	2000	30	1	2000
31	1	2000	31	1	2000	31	1	2000	31	1	2000

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Offshore Insurances and Other Funds

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AIM - Continue

Age	Volume	Vid
yr	Cc's	Cc's
30	-	3.0
35	-	2.6
40	-	2.8
45	-	0.5
50	-	-
55	-	-
60	-	-
65	-	-
70	-	3.8
75	-	-
80	-	-
85	-	4.2
90	-	-
95	-	-
100	-	-
105	-	1.8
110	-	-
115	-	-
120	-	3.5
125	-	3.5
130	-	-
135	-	1.5
140	-	-
145	-	-
150	-	2.8
155	-	-
160	-	4.4
165	-	-
170	-	-
175	-	3.1
180	-	0.6

135	72
407	1
140	6.8
405	
5	
14	
45	2
175	
25	
8	1
50	
125	2.4
77	
81	
8	
154	
215	8.0
77	
5	
91	3.0
342	
58	
9	
10	12.0
62	
17	5
95	
70	1
21	4
310	
62	07
5	1
52	
37	
1	

55	1.0	1
56	1.0	1
57	2.5	1
58	4.0	1
59	-	1
60	-	1
61	-	1
62	-	1
63	-	1
64	-	1
65	-	1
66	-	1
67	-	1
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72	—	—	—	11
71	—	8.9	—	—
70	—	0.3	75	—
69	—	—	—	—
68	—	—	—	—
67	—	4.8	16	—
66	—	3.6	17	—
65	—	4.9	16	—
64	—	2.8	17	—
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Debtors indicate that the cash is not shown for foreign then starting, this is one of these foreign available local stock.

Debtors, column only as Dividends claims are available Earnings/Reports and a schedule for a schedule tax after 6/6/92 when no interest distribution and investment funds, in any form or premium (loss) insurance for amounts awarded if not to allow for capital

Debtors listed on as below.

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Company	1991	1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584</
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7.8	Amesbury Water Inc.	57.0	—	—	32.5
7.7	Jerome's Bros.	246	—	418	222.5
7.4	Johns Lewis of Miami	2	—	4	1.4
7.3	Jonas	36.5	—	62.5	37.5
7.3	Junco Int'l	1	—	48	17.5
7.2	Just Group	2	—	—	—
7.1	Kam Fluor	2	—	—	—
7.0	Kayane Software	22.5	+2	42	30.5
6.9	Kingshale Leisure	14.5	—	55.5	11.5
6.8	LECO	137.5	—	182	136.5
6.7	LIT Technologies	10	—	58	14.5

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-author intensely craving to be and human insight, neither of parade of pleasures by which Lil- ian bargain to thrill to here and a decade ago.

WORLD STOCK MARKETS

Tech stocks hesitate as Dow climbs

AMERICAS

Wall Street quickly crossed through the 10,000 mark on the Dow Jones Industrial Average in early trading, but was losing momentum in early afternoon trading as technology stocks gave way to profit-taking, writes John Labate in New York.

"There's a divergence between the Dow and the broader market and that's not a good sign," said Hugh Johnson, chief investment officer at First Albany. "The breadth of the market is pretty poor and techs are not performing particularly well."

Adding to volatility was the triple-witching expiration of options and futures contracts.

The Dow was up 18.04 by early afternoon at 10,015.66, but the broader Standard & Poor's 500 index was down less than one point at 1,315.67. The Nasdaq composite index was off 8.07 to 2,454.88.

Leading the way higher in the Dow, General Electric was 2% higher to \$112.45 after Lehman Brothers raised its price target to \$130. But key financial shares weakened, including American Express, off \$3 at \$124.44.

In the banking sector, First Union was off \$1 1/2 to \$53.45 after the company announced a restructuring and said that it was cutting 6,000 jobs.

Leading computer makers were lower, with Dell Computer off \$1 1/2 to \$41.14 and Hewlett-Packard down \$1 1/2 to \$72.22.

In the brokerage sector,

Lehman Brothers were off \$1 1/2 to \$81.12, after the company unveiled results.

Footwear producer Nike gained \$5 1/2 to \$59.95 after BT Alex Brown raised its rating to "buy" from "market perform."

Small-company shares were lower, sending the Russell 2000 Index down 1.61 to 389.42.

TORONTO was higher at mid-session as the triple-witching session provided a boost to values. The TSX-300 composite index was 27.06 higher at 6,613.50 in volume of 47m shares.

All 14 sub-indices opened stronger, led by a 1.3 per cent rise in conglomerates and a 1.1 per cent advance in industrial products.

In the industrial products group, Northern Telecom rose to an early high of C\$89.50 but by midday had turned back to trade 10 cents weaker at C\$81.55.

Among conglomerates, Power Corp of Canada was 10 cents ahead at C\$29.25 and Canadian Pacific was 30 cents higher at C\$31.55.

SAO PAULO was in positive territory in early trading, with the Bovespa up 136 or 1.15 per cent to 11,020. Its highest level since July 20 1998.

The market was powered by Wall Street's early rise. The improved economic outlook also fuelled sentiment following the adoption of a key finance bill by parliament on Thursday.

MEXICO CITY was little changed, easing 11 to 4,853.00 on the IPC index. The index had first shot up following Wall Street's opening but later eased on profit-taking.

Jo'burg ends upbeat

SOUTH AFRICA

Johannesburg finished a busy week on a high note on the back of foreign buying and short-covering.

The overall index closed 95.3 or 1.5 per cent higher as industrials climbed 128.4 or

1.7 per cent to 7,711.0. The new resources top 30 index, combining mining and industrial commodity sub-sectors, added 58.1 or 1 per cent to 6,098.6.

SAB gained 340 cents to R58.10, while Anglo American put on 630 cents to R229.

Luxury goods hit height of fashion in Paris

EUROPE

A flurry of corporate news among the fashion and luxury goods stocks made for a turbulent session in PARIS where the CAC-40 index closed 87.38 higher at 4,219.65 after hitting an intra-day high of 4,341.

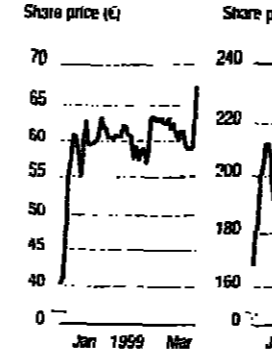
Pinault-Printemps initially surged more than 6 per cent after a half-day suspension in the wake of reports it was taking a 40 per cent stake in Gucci. It later receded to end €4.30 higher to €150.

The news, coupled with reports that François Pinault was buying Sanofi's beauty unit, sent shockwaves rippling through the sector. Clarins shot up €5.45 or 8 per cent to €74.50 while Hermès added €1.75 to €74.30.

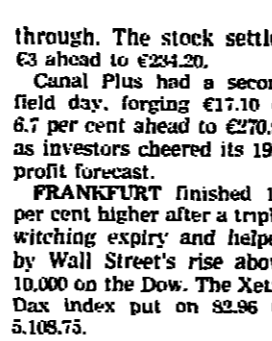
Sanofi, whose planned merger with Synthelabo was cleared by the European Commission last week, rose sharply on the news, adding €10.80 to €160.

LVMH dropped steeply in early trading before recovering after the company said it would bid for 100 per cent of Gucci if the Pinault-Printemps deal failed to go

LVMH



Pinault Printemps



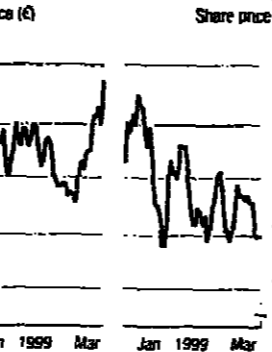
through. The stock settled €3 ahead at €234.20.

Canal Plus had a second field day, forging €17.10 or 6.7 per cent ahead to €270.90 as investors cheered its 1999 profit forecast.

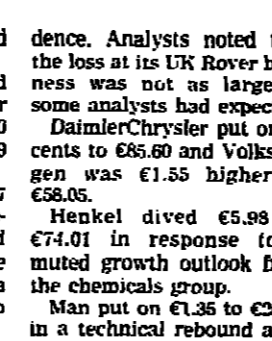
PRAXAIR finished 1.7 per cent higher after a triple-witching expiry and helped by Wall Street's rise above 10,000 on the Dow. The Xetra Dax index put on \$2.96 to 1,508.73.

BMW was an outperformer, rising €20.50 to €680 as the 1998 results restored a measure of investors' confidence.

Gucci Group



LVMH



Pinault Printemps



analysts noted that the loss at its UK Rover business was not as large as some analysts had expected.

DaimlerChrysler put on 96 cents to €56.60 and Volkswagen was €1.55 higher at €58.05.

Henkel dived €5.99 to €74.01 in response to a muted growth outlook from the chemicals group.

Man put on €1.35 to €26.15 in a technical rebound after recent sluggishness. Linde was €35 higher at €623.

AMSTERDAM rose steadily, shooting up briefly

on a strong Wall Street opening before easing back to close 9.58 higher to €47.17 on the AEX index.

Gucci shone, buoyed by news of the Pinault-Printemps deal. The fashion house closed €3.10 to €67.

Baan recovered a steep 13.8 per cent on bargain hunting to close 85 cents higher to €7.85, still far below its all-time high of €9.23 a year ago.

MILAN closed off its highs, but still in positive territory, supported by activity in the banking sector and some other blue chips. The Mibtel index finished 151 higher at 25,238.

Mediaset was trading 9.9 per cent higher at €9.31 when the issue was suspended amid speculation the company might announce an agreement to create a pan-European television venture to be known as Traviata.

Among the banks, BCI traded as much as 6.7 per cent higher before settling to close 3.3 per cent better at €7.21 after the bank distanced itself from its possible merger partner. Banca di

Roma, Roma dipped 1.3 per cent at €1.41, while Unicredit, another potential partner for BCI, put on 2 per cent to €5.28.

Mediobanca, seen as another potential takeover target, traded as high as €12.90 before closing 3.9 per cent higher at €12.59.

HELSINKI rallied confidently, powered by Nokia, which closed €3.15 higher to €133.85.

The Hex index advanced 141.27 or 2.3 per cent to 6,320.67.

Wall Street's jump above 10,000 on the Dow gave wings to the market's main constituents, with Sonera leading the way, up 86 cents to €74.20.

Report edited by Michael Morgan, Bertrand Benoit and Paul Egan

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Funds pile on weight in Tokyo

ASIA PACIFIC

Shares in TOKYO rebounded sharply after investors took heart from a strong performance on Wall Street on Thursday night, writes Gillian Tett.

The Nikkei 225 Average closed at 16,378.78, up 660.86 or 4.2 per cent on the day. This more than reversed the 3.4 per cent fall seen on Thursday, and left the index 5.7 per cent up on the week.

The Topix index of all first-section shares rose 38.52 or 3.1 per cent to 1,539.76, while the Nikkei 300 rose 8.41 or 3.4 per cent to 2,555.65.

The rise occurred amid heavy volumes, with 867m shares changing hands, about double the daily trading volume recorded during most of last year. Advances outnumbered losers by 899 to 314, with 111 issues unchanged.

The strong performance comes after several weeks in which the Nikkei has rallied strongly, pushing the index back to levels last seen in

THE DAY'S CHANGES

	% Change
Seoul	+4.4
Tokyo	+4.2
Hong Kong	+4.0
Jakarta	+1.6
Taipei	+1.5
Bangkok	+1.3
Sydney	+0.6
Singapore	+0.5
Manila	-0.9

August 1998. Most of the rise is attributed to foreign fund managers, who have been scrambling to adjust their portfolios to reflect the strong gains in the US and Japan and on hopes of a local interest rate cut.

The blue-chip index surged 423.30 to finish at 11,082.92 after hitting a 1999 intraday high of 11,127.33. The index last closed above 11,000 on April 20 1998, at 11,151.63.

Analysts said there was room to cut interest rates because US prime lending rates were about 100 basis lower than their Hong Kong counterparts. But after the market closed, the Hong

Kong Association of Banks confounded optimists by holding rates unchanged. JAKARTA took its lead from higher regional markets to add to its sharp gains of the previous two sessions.

The composite index closed 6.34 higher at 384.22 as banking reforms and the letter of intent from the International Monetary Fund also lifted sentiment.

Overseas-listed Telkom, up Rp75 at Rp2,950, remained a market mover, prompting gains in second-liners.

Investors took buying positions on shares alongside with dollar revenues. Timber group Sumalindo Lestari closed Rp50 or 18.2 per cent higher at Rp325.

TAIPEI extended its strong run, with the weighted index briefly crossing 7,000 before settling 102.28 higher to 6,997.29, a 8.3 per cent rise on the week.

Gains were most marked in recent underperformers such as paper, rubber and electricals, which posted gains of about 5 per cent.

LONDON STOCK EXCHANGE - DEALINGS

Details of business done shown below have been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

The data is delivered by Financial Times Information.

Details relate to those securities not included in the FTSE Information Services. The prices are those at which the business was done in the 15 minutes prior to the close of trading. For those securities in the second order which denotes the day's highest and lowest prices. For those securities in the third order which denotes the day's highest and lowest prices. For those securities in the fourth order which denotes the day's highest and lowest prices. For those securities in the fifth order which denotes the day's highest and lowest prices. For those securities in the sixth order which denotes the day's highest and lowest prices. For those securities in the seventh order which denotes the day's highest and lowest prices. For those securities in the eighth order which denotes the day's highest and lowest prices. For those securities in the ninth order which denotes the day's highest and lowest prices. 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COMPANIES FT MARKETS

Weekend March 20/March 21 1999

Bryant Group
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UniCredito poised for BCI merger offer

By Paul Betts in Milan

The wave of mergers in Europe's banking sector looked set to continue last night with UniCredito Italiano, Italy's largest bank in terms of market capitalisation, poised to make a merger offer to Banca Commerciale Italiana, its Milan rival.

The combination would create Italy's largest banking group, bringing together two of the country's most profitable banks. It would also help secure the shareholding structure of Mediobanca, the secretive Milan investment bank. UniCredito and BCI each own 8 per cent of Mediobanca.

UniCredito, formed last year through the merger of Milan's Credito Italiano with three large north Italian regional banks, is understood to be preparing to send a letter to BCI's board proposing to open merger negotiations.

Alessandro Profumo, UniCredito's chief executive, and Lucio Rondelli, its chairman,

recently indicated that they considered their bank needed to grow further. The decision to move to the next stage of expansion appears to have been accelerated by recent banking mergers in Spain and France.

French banking was this month thrown into turmoil when Banque Nationale de Paris launched a hostile bid for rivals Société Générale and Paribas, which had already agreed a merger of their own. In January, Spanish banks BCI and Santander agreed to merge.

It was unclear last night when UniCredito would make its move because the bank needs clearance from the Bank of Italy, the central bank, and Consob, the stock exchange watchdog, before launching its attempt to clinch a deal with BCI.

However, UniCredito appears anxious to move quickly, either over the weekend or early next week, to open negotiations with BCI

following BCI's board decision on Thursday to free the Milan bank from an earlier obligation to negotiate a merger exclusively with Banca di Roma.

BCI agreed last year to enter into merger negotiations only with Banca di Roma after intense pressure from Mediobanca, which has been keen to see the two banks combine to form Italy's largest banking group. Banca di Roma also owns an 8 per cent stake in Mediobanca.

However, Banca di Roma's recent partnership with ABN Amro, the Dutch banking group, has significantly undermined the prospect of a merger with BCI, whose management had already expressed reservations about the deal.

Although Mediobanca is continuing to press the two banks to combine, BCI's board has decided to consider other options with the help of Merrill Lynch. Its US investment bank adviser, Merrill Lynch is also advising UniCredito.

Motorola promises to keep Iridium on line

By Christopher Price in Hannover

Motorola has pledged financial support for Iridium as the troubled hand-held satellite phone group prepares to meet its bankers to discuss the impending breach of its banking covenants.

Bob Growney, president and chief operating officer of Motorola, the US telecommunications group, said yesterday: "If the banks do not agree to rewrite the covenants then we and other shareholders would be willing to look at what we could do."

"There is no question of Iridium going under," he said. However, he was confident that an agreement would be reached. "It is in everyone's interest that this thing succeeds," he said.

Iridium launched its service - the first enabling calls to be made to and from hand-held mobile phones anywhere in the world - last November. However, it has been plagued with problems, including software glitches in the complex handsets, and indifference from many of Iridium's service partners who are responsible for selling the service.

Under the covenant agreement, the \$5bn system was supposed to sign up some 30,000 subscribers and hit certain revenue targets by the end of this month. Analysts believe there are currently fewer than 12,000 Iridium users. Some \$800m of the group's \$2bn of debts are covered by the agreement.

Mr Growney blamed Iridium's poor start on marketing and distribution problems.

The service has agreements with more than 100 cellular service providers. Iridium subscribers use the terrestrial networks of their service providers until they move out of reach of the network, when the satellite system takes over.

But Mr Growney said: "Without doubt [the service partners] have underperformed on the marketing."

Iridium faces competition this year with the launch of Globalstar's satellite phone system. Next year, ICO Global Communications will also enter the market.

THE LEX COLUMN

Gunning for Gucci

Gucci is an Italian company, listed in Amsterdam, which the French think should belong to them.

Now the Asian crisis seems over, fashion stocks have regained their glamour. If Bernard Arnault of LVMH thought he could sit on a 34 per cent stake in Gucci and pick up the rest at his leisure, he has been sorely disappointed. The intervention of François Pinault has forced his hand. It now looks as if he will bid \$85 a share, valuing the whole at \$5.1bn. This is nearly five times sales - and he would almost certainly lose Gucci's star duo, designer Tom Ford and president Domenico De Sole.

Mr Pinault succeeded where Mr Arnault had failed in wooing these two. He also exploited tax regulation in Amsterdam that allows swathes of shares to be issued without specific recourse to shareholders. Meanwhile, Gucci's strategy for deploying Mr Pinault's \$3bn cash seems strangely similar to Mr Arnault's: to run a stable of luxury goods companies.

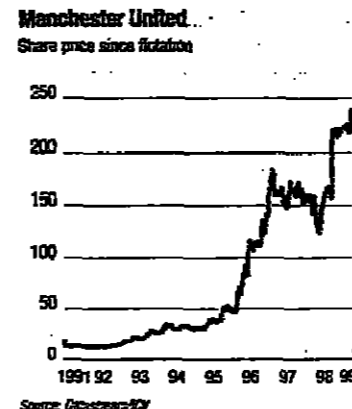
Will they continue to poach-pooch the possibility of gaining synergies between distinctive brands if they go on the acquisition trail?

Mr Arnault is big on synergies. He needs to be. The premium he seems to be offering for the 66 per cent he does not own would cost \$600m. Pre-tax synergies of roughly \$80m a year would be needed to justify that. Of course, the holy grail for him and Mr Pinault is a business returning to double digit annual growth. This auction is already starting to resemble the saleroom at Christie's - expensively bought by Mr Pinault last year.

3i/Electra

3i is relying on a rather scrappy bird in the hand looking better than two in the bush from its target. Compared with Electra Investment Trust's big bang net asset valuation of 786p a share, 3i's final offer - worth about 724p a share at last night's close - is no knock-out. It is only a few per cent more than 3i's indicative offer in January. Since then the FTSE small and mid-cap indices, which best approximate to an investment trust portfolio, have risen 10-15 per cent.

3i's chances of success with its £1.25bn offer depend partly on institutional investors' view of the sector. Recent history has dictated that they should get out. Although Electra had a good record of pushing up net asset value per share, it was



trading on a typical discount to net assets of 15-20 per cent. The fear is that an independent Electra would fall to a similar discount - or worse because of the £540m debt it would take on in buying back 40 per cent of its equity. So, although Electra has a record of making a 20 per cent-plus profit on its disposals, it will struggle to get the benefit of the doubt.

As for 3i, it could not be accused of overpaying, especially as it would strip out costs. But because it is unlikely to attract the best talent from Electra Fleming, the trust's manager, the acquisition would fall short of its full potential. This, coupled with bid costs, helps explain its tightfistedness - good for its shareholders.

But as the offer is partly in paper - in a FTSE 100 company - the deal's upside for 3i may win the day.

Manchester United

Manchester United's shares have suffered from reports that the UK Monopolies and Mergers Commission is set to block British Sky Broadcasting's takeover of the soccer club. This would be hard to justify on competition grounds. After all, why should sports rights be treated differently from other must-have content? And the MMC would lack imagination if it could not think up workable conditions to manage conflicts of interest when Premiership broadcasting rights are next auctioned.

Still, that risk explains why, at 233p, Man Utd shares are at a 13 per cent discount to the pay-television operator's offer. And given that BSKYB's offer represents a 61 per cent premium to the 159p pre-bid level, an MMC ban would hurt. But the shares would be unlikely to fall all the way back. By agreeing the

BSKYB offer, Man Utd has put itself up for sale, meaning that some bid premium would stay in the shares. But since banning a BSKYB bid would probably also preclude a bid from the likeliest other bidder, Carlton's and Granada's rival pay-TV platform, On Digital, that premium might be small.

Even so, since the bid was launched a lot has gone Man Utd's way on the pitch, notably in the European Champions League, which will boost this year's turnover to near the £100m mark. And its forthcoming results are likely to be a powerful reminder of how successfully it has capitalised on its status as the UK's most powerful sporting brand. Nearly half its revenues now come from merchandise sales and TV revenue. Trading at nearly six times sales, stand-alone Man Utd is not cheap.

But then it has not yet disappointed either its shareholders or its fans.

British Telecoms

Prising open the Japanese telecommunications markets has been a painfully slow process. But BT appears to be pursuing a sensible mix'n'match approach. It is building up a presence organically by investing in an optic-fibre network. But cheap equity stakes do not come up that often. So BT's interest in buying into Japan Telecom looks sensible. Admittedly, Japan Telecom's business in fixed-line telecoms is under pressure from deregulation. And the company has nowhere near the muscle of NTT. But on a price to sales ratio of just 1.3, the company's stock is pricing in the tough trading. It may even be underestimating Japan Telecom's web of mobile telecoms investments. New cash from equity investors could help it rationalise this portfolio by buying out partners.

By negotiating a joint investment with AT&T, BT is also cementing its alliance with the US operator. True, the duo would be a long way from gaining control with a mooted \$1.3bn investment. But a big enough stake should mean they can use Japanese Telecom to distribute their global services to Japanese corporates.

Of course, a BT stake in Japan Telecom does make an alliance with NTT look ever more unlikely. But since years of flirting between the two have failed to yield anything meaty, this is no huge loss.

UK joins protest over Czech brewing merger

By Robert Anderson in Prague

The UK yesterday stepped into the row over a Czech beer merger involving the brewer of the world famous Pilsner Urquell lager.

The British ambassador complained to the Czech government that this week's surprise approval of the deal could violate international treaties and raised concerns over the equal treatment of investors.

Jan Kavan, the Czech foreign minister, said the ambassador had told him that the decision to reverse two previous decisions and allow the merger of Pilsensky Pradroz, which produces Pilsner Urquell, and Radegast might conflict with a bilateral investment agreement. It could also violate the country's treaties with the European Union.

It is a blow for Bass, the UK brewer, which controls the Czech Republic's third biggest brewer and had hoped to build

a large brewing presence of its own by acquiring Radegast. The Czech Republic is Bass's only significant brewing interest outside the UK and it has yet to see a profit since launching in the country in 1994.

Mr Kavan, who said the British ambassador would raise the subject with the EU, added that he would urge the Czech government to examine the issue.

A British embassy spokesman said the ambassador had "emphasised the importance of having a transparent competition office which creates a level playing field".

The merger of the two breweries, both owned indirectly by Nomura Securities of Japan, has been fiercely opposed by Bass, the UK brewer, which has a 13 per cent market share. Bass last year won two judgments from the competition office that the merger - giving the Nomura brewer a 44 per cent market share - would damage competition.

But, under a new chairman, the office this year secretly reopened the case and in effect overturned those judgments by saying it had no power to intervene. This week, the competition office said the officials who made those judgments may not have been objective and had been removed from the case.

The dispute underlines the difficulties the Czech Republic is experiencing adapting its institutions to the rigours of the market in the post-communist era.

The decision has led to an outcry by the country's small brewers and raised questions in the local media over the transparency of the office's procedures and its willingness to contest mergers.

Bass, which has expressed astonishment at the decision and is considering legal action, said yesterday it welcomed Mr Kavan's comments.

Nomura chief to retire, Page 25

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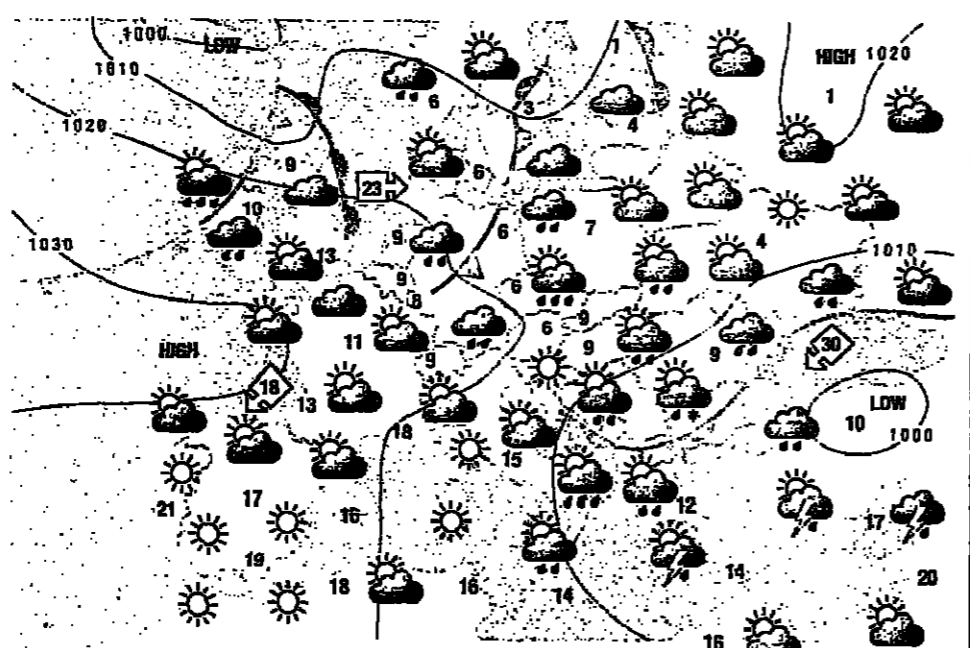
FTSE 100:	6163.2	(+43.9)
Yield	2.87	
FTSE Europe 300	1238.10	(+15.68)
FTSE All-Share	2847.18	(+10.61)
Nikkei	15,378.78	(+60.98)
New York S&P 500	10,032.31	(+34.68)
S & P Composite	1917.45	(+0.30)
LONDON MONEY		
3-mo Interbank	5 1/4	(-5/8)
Life long gilt (1m)	117.55	(+117.70)
US LUNCHTIME RATES		
Federal Funds	4.675%	
3-m Treas Bill: Yld	4.51%	
Long Bond	5 1/2	
Yield	5.52%	
NORTH SEA OIL (Angus)		
Brent Dated	\$13.12	(+13.38)
GOLD		
New York Comex	\$284.1	(+283.0)
London	\$283.55	(+283.29)

Europe today

Northern regions will be cloudy and cool with rain but central and eastern Europe should see some sun among the showers. Scandinavia will remain unsettled. Rain in the south and west will clear but return later, while the north will stay cold with snow. The west and south-west of the continent will be dry with some sun, the best of it in the Iberian Peninsula. The eastern Mediterranean will stay cool and stormy.

Five-day forecast

Heavy, thundery showers in the eastern Mediterranean will clear for a while. Heavy downpours in central regions will spread eastwards in midweek. Storms are likely to develop over southern Spain. Rain will move across the north, turning to snow in Scandinavia.



TODAY'S TEMPERATURES

Abu Dhabi	Sun 29	Bangkok	Fair 36	Edinburgh	Rain 10	Madeira	Fair 19	Rangoon	Sun 35
Accra	Sun 29	Batavia	Fair 30	Faro	20	Macao	Fair 17	Reykjavik	Shower 1
Algiers	Fair 16	Beijing	Fair 10	Frankfurt	Fair 11	Manila	Fair 26	Sao Paulo	Fair 15
Amsterdam	Fair 9	Bombay	Shower 8	Geneva	Fair 11	Montevideo	Shower 26	Singapore	Shower 33
Athens	Thunder 12	Buenos Aires	Shower 20	Hong Kong	Fair 27	Moscow	Fair 1	Stockholm	Hail 3
Bahia	Fair 28	Calcutta	Shower 31	London	Fair 11	Myanmar	Fair 27	Sydney	Fair 26
Batavia	Fair 11	Chengdu	Shower 20	Luxembourg	Fair 11	Nairobi	Fair 27	Taipei	Shower 15
Bombay	Shower 20	Dhaka	Shower 20	Madrid	Fair 11	Paris	Fair 11	Tokyo	Shower 15
Buenos Aires	Shower 20	Hanoi	Shower 20	Rangoon	Fair 19	Perth	Shower 15	Toronto	Fair 4
Calcutta	Shower 20	Kuala Lumpur	Shower 20	San Francisco	Fair 11	Vienna	Fair 9	Washington	Fair 21
Chengdu	Shower 20	Manila	Fair 26	Seattle	Fair 11	Yokohama	Fair 26	Zurich	Fair 8
Dhaka	Shower 20	Shanghai	Shower 20	Singapore	Shower 33				
Hanoi	Shower 20	Taipei	Shower 15						
Hong Kong	Fair 27								
London	Fair 11								
Luxembourg	Fair 11								
Madrid	Fair 11								
Manila	Fair 26								
Montevideo	Shower 26								
Moscow	Fair 1								
Myanmar	Fair 27								
Nairobi	Fair 27								
Paris	Fair 11								
Perth	Shower 15								
Rangoon	Fair 19								
Reykjavik	Shower 1								
Sao Paulo	Fair 15								
Singapore	Shower 33								
Stockholm	Hail 3								
Sydney	Fair 26								
Taipei	Shower 15								
Tokyo	Shower 15								
Toronto	Fair 4								
Washington	Fair 21								
Yokohama	Fair 26								
Zurich	Fair 8								

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Old father time becomes a terror

We are all, we say, stressed out: there is ever more to do, and fewer hours to do it in. Richard Tomkins examines a mounting modern dilemma

It's barely 6.30am and already your stress levels are rising. You're late for a breakfast meeting. Your cell-phone is ringing and your pager is beeping. You have 35 messages in your e-mail, 10 calls on your Voicemail and one question on your mind.

Why was it never like this for Dick Van Dyke?

Somehow, life seemed much simpler in the 1960s. In *The Dick Van Dyke Show*, the classic American sitcom of the era, Rob Petrie's job as a television scriptwriter was strictly nine-to-five. It was light when he left for work and light when he got home. There was no teleconferencing during his journey from the Westchester suburbs to the TV studio in Manhattan.

At work, deadlines loomed, but there was plenty of time for banter around the office typewriter. There was no internet, no Voicemail, no fax machine, no CNN. The nearest Petrie came to information overload was listening to a stream of wisecracks from his colleague Buddy Sorrell about Mel, the bald producer.

Meanwhile, at home, Rob's wife Laura - Mary Tyler Moore - led a life of leisure. After packing little Richie off to school, she had little to do but gossip with Millie, the next-door neighbour, and prepare the evening meal. When Rob came home, the family sat down to dinner, then it was television, and off to bed.

Today, this kind of life seems almost unimaginable. The demands on our time seem to grow ever heavier. Technology has made work portable, allowing it to merge with our personal lives. The nine-to-five job is extinct: in the US, people now talk about the 24-7 job, meaning one that requires your commitment 24 hours a day, seven days a week.

Home life has changed, too. Laura and Millie no longer have time for a gossip: they are vice-presidents at a bank. Richie's after-school hours are spent at karate classes and Chinese lessons. The only person at home any more is Buddy, who went freelance six months ago after being de-layered by Mel.

New phrases have entered the language to express the sense that we are losing control of our lives. "Time famine" describes the mismatch between things to do and hours to do them in, and "multi-tasking" the attempt to reconcile the two. If multi-tasking works, we achieve "time deepening", making better use of the time available; but usually it proves inadequate, resulting in "hurry sickness" and an increasingly desperate search for "life balance" as the sufferer moves closer to breakdown.

It was not supposed to be this way. Technology, we thought, would make our lives easier. Machines were expected to do our work for us, leaving us with ever-increasing quantities of time to fritter away on idleness and pleasure.

But instead of liberating us, technology has enslaved us. Innovations are occurring at a bewildering rate: as many now arrive in a year as once arrived in a millennial.



um. And as each invention arrives, it eats further into our time.

The motor car, for example, promised unimaginable levels of personal mobility. But now, traffic in cities moves more slowly than it did in the days of the horse-drawn carriage, and we waste our lives immobilised by congestion.

The aircraft promised new horizons, too. The trouble is, it delivered them. Its very existence created a demand for time-consuming journeys that we would never previously have dreamed of undertaking - the transatlantic shopping expedition, for example, or the trip to a convention on the other side of the world.

In most cases, technology has not saved time, but enabled us to do more things. In the home, washing machines promised to free women from the drudgery of the laundry. In reality, they encouraged us to change our clothes daily instead of weekly, creating seven times as much washing and ironing. Similarly, the weekly bath has been replaced by the daily shower, multiplying the hours spent on personal grooming.

Meanwhile, technology has not only allowed work to spread into our leisure time - the laptop-on-the-beach syndrome - but added the new burden of dealing with faxes, e-mails and Voicemails. It has also provided us with the opportunity to spend hours

fixing software glitches on our personal computers or filling our heads with useless information from the Internet.

Technology apart, the Internet points the way to a second reason why we feel so time-pressed: the information explosion.

A couple of centuries ago, nearly all the world's accumulated learning could be contained in the heads of a few philosophers. Today, those heads could not hope to accommodate more than a tiny fraction of the information generated in a single day. News, facts and opinions

amounts to a minute proportion of the expanding frontiers of scholarship.

There is another reason for our increased stress levels, too: rising prosperity. As ever-larger quantities of goods and services are produced, they have to be consumed. Driven on by advertising, we do our best to oblige: we buy more, travel more and play more, but we struggle to keep up. So we suffer from what Wilson calls discontent with super abundance - the confusion of endless choice.

Of course, not everyone is

'It's almost got to the point where there's stress envy. If you're not stressed, you're not succeeding. Everyone wants to have a little bit to show they're an important person'

pour in from every corner of the world. The television set offers 150 channels. There are millions of internet sites. Magazines, books and CD-Roms proliferate.

"In the whole world of scholarship, there were only a handful of scientific journals in the 18th century, and the publication of a book was an event," says Edward Wilson, honorary curator in entomology at Harvard University's museum of comparative zoology. "Now, I find myself subscribing to 60 or 70 journals or magazines just to keep me up with what

overstressed. "It's a convenient shorthand to say we're all time-starved, but we have to remember that it only applies to, say, half the population," says Michael Willmott, director of the Future Foundation, a London research company. "You've got people retiring early, you've got the unemployed, you've got other people maybe only peripherally involved in the economy who don't have this situation at all. If you're unemployed, your problem is that you've got too much time, not too little."

And on-line retailers are seeing big increases in sales - though not, as yet, profits.

A third reaction to time famine has been the growth of the work-life debate. You hear more about people taking early retirement or giving up high pressure jobs in favour of occupations with shorter working hours. And bodies such as Britain's National Work-Life Forum have sprung up, urging employers to end the long-hours culture among managers - "presenteeism" - and to adopt family-friendly working policies.

The trouble with all these reactions is that liberating time - whether by making better use of it, buying it from others or reducing the amount spent at work - is futile if the hours gained are immediately diverted to other purposes.

As Godfrey points out, the stress we feel arises not from a shortage of time, but from the surfeit of things we try to

Paul Edwards, chairman of the London-based Henley Centre forecasting group, points out that the feeling of pressures can also be exaggerated, or self-imposed. "Everyone talks about it so much that about 50 per cent of unemployed or retired people will tell you they never have enough time to get things done," he says.

"It's almost got to the point where there's stress envy. If you're not stressed, you're not succeeding. Everyone wants to have a little bit of this stress to show they're an important person."

There is another aspect to all of this issue, too. Hour-by-hour logs kept by thousands of volunteers over the decades have shown that, in the UK, working hours have risen only slightly in the last 10 years, and in the US, they have actually fallen - even for those in professional and executive jobs, where the perceptions of stress are highest.

In the US, John Robinson, professor of sociology at the University of Maryland, and Geoffrey Godbey, professor of leisure studies at Penn State University, both time use experts, found that, since the mid-1960s, the average American had gained five hours a week in free time - that is, time left after working, sleeping, commuting, caring for children and doing the chores.

The gains, however, were unevenly distributed. The people who benefited the most were singles and empty-nesters. Those who gained the least - less than an hour - were working couples with pre-school children, perhaps reflecting the trend for parents to spend more time nurturing their offspring.

There is, of course, a gender issue here, too. Advances in household appliances may have encouraged women to take paying jobs: but as we have already noted, technology did not end household chores. As a result, we see appalling inequalities in the distribution of free time between the sexes. According to the Henley Centre, working fathers in the UK average 48 hours of free time a week. Working mothers get 14.

Inequalities apart, the perception of time famine is widespread, and has provoked a variety of reactions. One is an attempt to gain the largest possible amount of satisfaction from the smallest possible investment of time. People today want fast food, sound bites and instant gratification. And they become upset when time is wasted.

"People talk about quality time. They want perfect moments," says the Henley

Centre's Edwards. "If you take your kids to a movie and McDonald's and it's not perfect, you've wasted an afternoon, and it's a sense that you've lost something precious. If you lose some money you can earn some more, but if you waste time you can never get it back."

People are also trying to buy time. Anything that helps streamline our lives is a growth market. One example is what Americans call concierge services - domestic help, child care, gardening and decorating.

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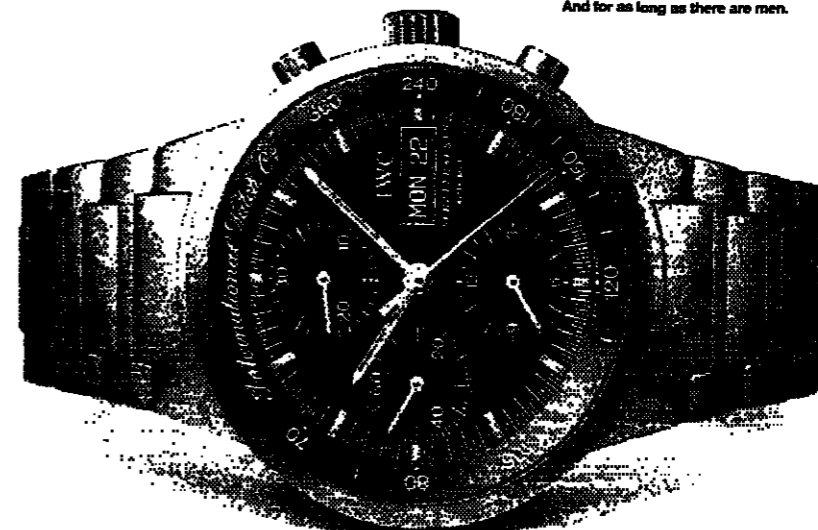
"People talk about quality time. They want perfect moments," says the Henley

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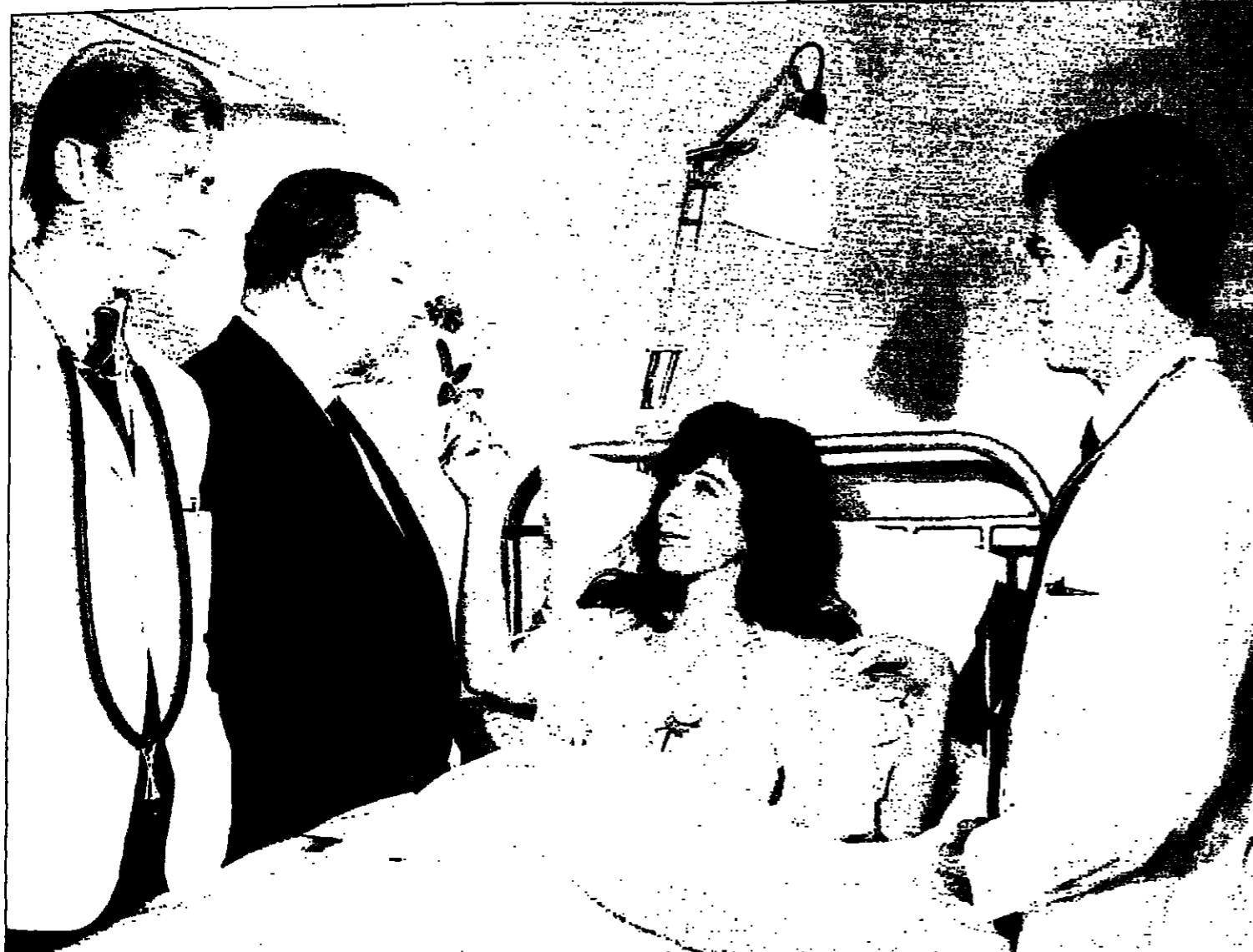
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BODY AND MIND



Some consultants and junior doctors have not moved far from the days of the 'Doctor' films of the 1950s

Cowboys who put the knife in

The medical profession's notorious secrecy does not benefit patients, says Jerome Burne

As a child in the early 1960s, I saw the *Doctor in the House* movies at our local cinema. How we laughed at the parade of stereotypes - the bullying bearded consultant, the fumbling, incompetent juniors, the women who were either domineering or doe-eyed and the funny foreigners.

What is not so funny is to discover this cast of characters, whom I presumed had vanished long ago, is still alive and well and damaging patients for real in the NHS of the 1990s.

They pass in frightening procession through the pages of Dr Phil Hammond's new book *Trust Me (I'm a Doctor)*, the same title as his TV and radio series, published this week by Metro at £9.99. The consultant who declared in an equal opportunities training session last November: "I'm not having any fucking women in my department or any fucking Indians either." Or the nurse who told Hammond in September that incompetent juniors were all too common: "It's very stressful keeping an eye on the new doctors. They know nothing about protocols or how to operate new machines and need a lot of supervision."

At which point conventional response is to admit to a few rotten apples, but assert that by and large they are a dedicated body of men and women doing a splendid job under difficult conditions.

The devastating thrust of Hammond's book is that, just as the inquiry into the death of Stephen Lawrence has dragged into the limelight a canteen culture that allowed racism to flourish in the police in London, so the inquiry into the high level of infant deaths at Bristol Royal Infirmary last year exposed a consulting room culture that enabled dangerously incompetent surgeons to continue practising unchecked for years.

Hammond, a media doctor for nearly a decade, began writing about the problems at Bristol in 1992. "It was well known within the profession that the mortality rates in their

paediatric surgery department were appallingly high," he says. "Ambulance men would refer to it as the 'killing fields' and take children elsewhere. But no one warned the parents whose children did end up there and I thought that was terribly wrong."

What the book explains is how such a situation can arise. Bristol is not a matter of a few cowboys, it's the tip of a very nasty iceberg, which begins with the way doctors are trained.

Students muddle through an inadequate and idiosyncratic teaching regime, which leaves them unprepared for clinical reality. Even that might be all right if junior doctors learning on the job were properly supervised, but often they aren't.

Hammond judiciously mixes nuggets of fact with telling anecdotes. For example, we learn that the number of doctors added to drink or drugs in the UK is 13,000 and that he estimates - by extrapolating from US figures - the number of hospital admissions a year due to medical mishap is 320,000; 40,000 of those people die. Then he describes how, while entertaining a large group of cardiologists last year, he first asked if anyone had worked with someone whose nickname showed how bad they were.

This generated an enthusiastic response and names such as Chopers, Shakers, Bleeders, Butchers, Fumblers, were yelled out. The next question produced silence: "How many of you reported them, or suggested they be investigated?" As did the next: "Can you give me the names of surgeons you wouldn't send your mum to?" And here is the nub of the problem. The culture of the medical profession is to protect its own, even the Slashers and the Chopers.

More important, there is no consistent way of evaluating how well doctors are doing and even when there is, the profession prefers to keep it secret.

The Royal College of Surgeons, for

instance, has done one of the few complete audits - on the success rate of consultants doing prostate operations. This shows that your chances of dying at the hands of the worst is six times greater than under the best.

But are you allowed to know their names? You are not.

There are understandable reasons for this, similar to those that teachers have unsuccessfully advanced against publishing exam league tables, but ultimately Hammond is not convinced. "We have tried the secrecy route and it hasn't worked," he says. "The way to avoid future Bristol is both by doctors developing a culture of openness, and patients being ready to be more demanding."

The need to be sceptical and questioning is even greater if you are a private patient. You will be treated sooner and enjoy better quality meals but you could be in for a nasty surprise if things go wrong. Few private hospitals have emergency units, although they are supposed to have resuscitation equipment, and if complications do arise you will most likely be rushed to an NHS hospital.

Even Bupa's medical director, Andrew Vallance Owen, has admitted: "Private practice offers fewer of the safeguards and supports that help to minimise adverse events in the public sector." So ask about intensive care facilities, nearest NHS hospital, etc.

There is plenty of evidence that specialist units for treating difficult or dangerous conditions have a much better success rate than hospitals where the operations are done by general surgeons - that was part of the problem at Bristol. If all stroke patients, for example, were treated at a specialist unit, an estimated 4,500 lives would be saved.

So if you are scheduled for an operation, the sort of questions you might ask are: Is this a designated specialist centre? How many of this sort of operation do you do? Please

tell me the results of any evaluation of the procedure you want to carry out. What is your failure rate? How does that compare with the national average?

Surgical outcomes are the easiest to measure, but you can also ask about drug treatments and what is known as the "Number Needed to Treat" (NNT). Suppose you have had a heart attack, and your GP recommends that you take a cholesterol-lowering drug to reduce the chances of another attack.

One way of describing its effectiveness is to say: if you take this drug every day for five years your risk of death will be reduced by 40 per cent. Another is: if 33 people like you take this drug every day for five years, one death will be prevented, but we don't know whose. It is the number of other people that need to take the drug for one to benefit that gives you its NNT.

Many of the NNTs are surprisingly high. For instance, the NNT for an antibiotic given to a child for an inner ear infection is seven, while that for an anti-hypertension drug for a 36- to 40-year-old male with mildly raised blood pressure, is 850. If you are prescribed a drug for something chronic, ask about the NNT: the answer will help you balance benefits against side-effects.

"You can't always expect to get the absolute best treatment," says Hammond, "but if you ask the right questions you should be able to demand the treatments that have been proved to work and be treated by a doctor who is either competent to deliver it, or is being closely supervised by someone who is." In such a climate, the ghosts of *Doctor in the House* should finally be laid to a long overdue rest.

For a list of NNTs for a range of drugs go to: www.jr2.ox.ac.uk/Bandolier

The Health Address Book available from The Patients Association (0191-223 8999) carries a list of support groups for patients with chronic diseases.

PSYCH YOURSELF UP

Jung sows the seeds of hope and growth

Andrew Derrington tries a different approach and discovers there are blueprints for new behaviour hidden in our subconscious

You want to explore your inner self? You find the Freudian emphasis on the murky nature of what lurks in your unconscious a bit oppressive? It may be that the Jungians have just the thing for you. The analytic approach is similar but a different view of the forces that motivate us and shape our minds lends it a more optimistic tone.

A pessimist bemoans the fact that his glass is half empty, while an optimist rejoices that it is half full. Similarly, where a Freudian searches for signs of the bitter fruits of unresolved conflicts in the neurotic subconscious, the Jungian is looking for the seeds of psychic growth and development.

Jung was one of the inner circle of psychoanalysts who worked with Freud in Vienna in the early years of this century. So it is not surprising that the basic techniques of analytical psychology, as Jung called his approach, is similar to that of psychoanalysis. The patient tells the therapist about his or her worries, hopes, dreams and fantasies. The therapist helps the patient to analyse them.

One minor difference is that Jungian therapists are just as likely to sit face to face with their patient as to use a couch, and many will switch between couch and chairs from session to session.

Both approaches share the goal of making us aware of our unconscious mental processes, but they differ radically in their conception of the unconscious mind. To Freudians it is the repository of thoughts and conflicts that are too disturbing to acknowledge and which are interpreted by the therapist when they leak into consciousness in coded forms. Jungians have a much more positive view.

"The unconscious is not just a repository of conflict," says Roderick Peters, a London-based Jungian therapist. "It carries the seeds of [psychological] developments that are going to take place." These seeds

are known as archetypes. They are the blueprints for different kinds of psychological potential - such as maternal behaviour, or the capacity to relate to your father.

The role of the unconscious in development means that you don't just need to understand your unconscious, you need to have a good relationship with it, "almost like a marriage", says Peters. "A person comes into analysis because the relationship between conscious and unconscious is uncomfortable."

You need to have a good relationship with your unconscious, 'almost like a marriage'

Dreams are hugely important in this process.

"Some dreams give you a snapshot of everything going on in your psyche," says Andrew Samuels, professor of analytical psychology at Essex University. "Every bit of the dream represents a part of the dreamer." For example, if you dream about a priest and a football player, the therapist may ask you about the footballer - or the priest - in yourself.

Dreams may also signal the need to rebalance your conscious attitudes. For example, if you are a successful businessman, dreams of babies may signal a need to get in touch with the baby in yourself.

The aim of therapy is to improve the communication between conscious and unconscious. It may be used to help resolve a particular problem or trauma. Many people use it in a more open-ended way if they are simply not as happy as they would like to be and are looking for meaning in their life. This wide variety means it is essential that a person looking for Jungian therapy checks what they are

getting. An open-ended analysis can take years. Make sure the therapist offers what you want before you enter into a long-term relationship.

The "meaning of life" side of Jungian therapy and the use of phrases such as "the collective unconscious" can give it a somewhat mystical take that is alien to people like me who view the brain as a machine. However, the real question is not whether it has neuroscientific plausibility but whether it works.

The proof of this is that people are happy to pay for it and feel that it helps them. However, according to Mark Williams of the Institute for Medical and Social Care Research, there's no good evidence that it's better than briefer, cheaper, more "scientific" therapies that we shall deal with in coming articles.

On the other hand, research sponsored by insurance companies in Germany, Austria and Switzerland shows that people who have long-term psychotherapy - including Jungian therapy - have lower lifetime medical costs. They are healthier in mind and body. However, it's impossible to be sure that this is a consequence of psychotherapy.

Costs & Contacts
The cost of Jungian therapy is similar to that of Freudian. Typical prices range from £20 to £55 (£125-£175) a session, depending on location and duration. Low-cost schemes are available from training organisations.

The International Association for Analytical Psychology, PO Box 24, CH 947 Egg, Switzerland, tel +41 55 412 2472, fax 3772, e-mail IAAP@swissnet.ch, is the official register of national and state registers of analytical psychologists set up by Jung. Their web site www.iaap.org includes names and web addresses. For more general information, try www.cjgung.com or www.jungindex.net

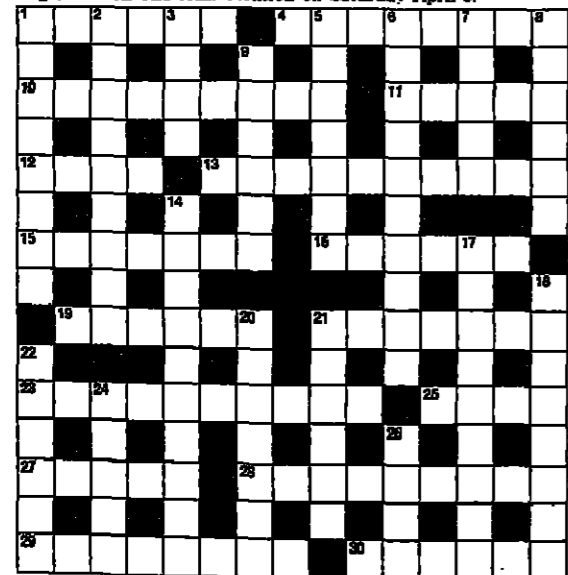
The author is professor of psychology at the University of Nottingham.



CROSSWORD

No. 9943 Set by CINCINNUS

The prize of a matching set of finely engraved personalised notepaper, envelopes and correspondence cards on Berni Kid Finish Paper from Crane & Co will be awarded for the first three correct solutions opened. Solutions by Wednesday March 31, marked Crossword 9943 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9FL. Solution on Saturday April 3.



Name: _____
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WINNERS 9,931: Edward F. Baxter, Leek, Staffs; Lizzy Boakes, Crookes, Sheffield; R.M. Hetherington, Bradford; Salut Clare, Crowwood sponsored by

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Crane's SINCE 1850

ACROSS

- 1 Old coat cheers poet (6)
- 4 Dope on Arctic trip (8)
- 5 See chess piece: king suffering hard loss (9)
- 11 Roman cross patch (5)
- 12 Almost regretting bankruptcy (4)
- 13 Treasure Island captain with hair on arms (10)
- 15 Basis for speech on popular series on TV (7)
- 16 A fool's chance to speak about mental health (6)
- 19 Clean president (8)
- 21 Cricket score produced in trial (4,3)
- 23 Novelist making king roar (4,6)
- 25 Muse about lubricant on cylinder head (4)
- 27 Spare part in Oedipus Rex, tragically (6)
- 28 Worm in rose representing calamity (9)
- 29 Air posed problem for take-offs (8)
- 30 Black bird dog (8)

Solution 9,942
DATELINE MASOCH
ORANGEY JOVIAL
PUS A C R U R E
SATIN HANDSOME
V R E O T T
RAPHER TRIBUNE
S C I D
PIKINET MASEBY
A A R O U C
CONTOUR GORAL
ENEMO A A D O
ANDION BUTTER
G U S E R A H E
ELEVEN STRESSED

DOWN

- 1 Flowering plant producing underground flower (8)
- 2 Torture for tortured saint in wicked love (9)
- 3 Cross or unmanly sound (4)
- 5 Attains a higher position when five score goals (7)
- 6 Grace arrives, crossing borders (10)
- 7 Medicine that's too nice not to finish (5)
- 8 Noted singer not completing a course in composition (8)
- 9 Long-winded for (59) (6)
- 14 Straightforward, like the chairman (5,5)
- 17 Exciting object - round little flower (9)
- 18 Declare a girl's put on weight (8)
- 20 Free from rent again? (7)
- 21 Work left over, too much for musicians (6)
- 22 Dormant snake outside shelter (6)
- 24 Unqualified to speak (5)
- 26 Gaelic speakers editing extract (4)

Solution 9,931
HALFBACK FOSBIL
A E V O C N L A
PITCH MERCENARY
P I O P I N N E
EXTROVERT AUGUR
N K E I V J
FAVOUR CHRONIC
O C R I N G
ROSEBUD CHANCE
O S V I A R I M
MUSIC SUPPORTER
P E R T I V A J
T R I B U N E
E O O A E L H O
REBUKE CLARENCE

BRIDGE PAUL MENDELSON

Part-score hands are as vital as games or slams at Duplicate Pairs, but even at Rubber bridge, if you can succeed in the partials, the rubber scores will look consistently better for you.

N
♠ Q J 9 4 3
♥ J 7 2
♦ 10 5 2
♣ 10 3

E
♠ 10 8 7 5
♥ 4
♦ K Q 7 4 3
♣ K J 7

Dealer: S E/W Game

North East South West
NB 2D 1H 2C
3H NB NB NB
East might have bid 4C, but he thought his 2D bid had shown some support already. West, however, thought it denied support, so he could not bid 4C. Here, East's 2D bid should show tolerance for clubs - a doubleton honour or three small - for, if West hates diamonds, he would have to rebid his suit at the 3-level.

West led 9♣, which ran to

East's Q♠ and declarer's A♠. Attempting to disarm the opponents' imminent diamond ruff, South cashed A♥ and Q♥, which West won. West continued with 6♠ to East's K♠ and ruffed the return. He then played A♠ and 8♠, declarer ruffing East's K♠.

The success of the contract now relies upon losing no tricks in spades. South combined his ability to count to 13 - always an asset at the bridge table - with his knowledge of his opponents. West's bidding marks him with at least six clubs and he has shown three trumps and two diamonds. So he holds one or two spades.

Running through the bidding again, declarer decided that, if East had held four clubs, he would surely have supported the suit. This placed West with seven clubs, and therefore only one spade. Could it be the singleton king? Declarer was right on certain of it: West was a reliable, conservative bidder. Even with a seven-card club suit, nine points would not be considered sufficient for a vulnerable 3-level overcall. So, the declarer cashed A♠, felling West's K♠ and chalked up his hard-earned 90 points.

CHESS LEONARD BARDEN

Chess visits parliament on Thursday March 25, when MPs Charlotte Atkins and Evan Harris host a Commons media briefing supported by the BCF and junior sponsors Saitek. World champion Garry Kasparov and his 1993 challenger Nigel Short will attend, while the UK's best young talents will play a friendly match against the Lords and Commons.

England is the No 3 chess country after Russia and the US, with three GMs ranked in the world top 20. Recently English juniors won world under-18 boy and girl titles, while a 10-year-old Surrey boy has become the youngest to qualify for any national championship.

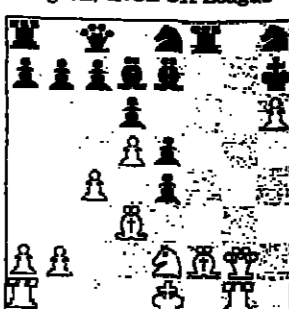
Chess enjoys sports status in most European Union states, so the BCF's £20,000 government grant contrasts with six times that amount in Greece. Chess is also effectively excluded from lottery funds.

The most significant event is at the sharp end. Unlike Holland, Germany and especially Russia, China and Yugoslavia where chess is a popular mind sport, the UK has virtually no official funds for developing even the very best young talents.

The Margulies report in the US and other studies have shown improved learning skills in children taught chess.

Tony Banks, the minister of sport, has declared his backing for the campaign. In answer to a Commons adjournment debate on "government support for chess in the UK" last Monday night, Banks pledged to amend a 1937 Act which has led to the exclusion of mind sports from Sports Council aid.

No 1275
Matthew Sadler v Julian Hodgson, 4NCL UK League



1999. A rare miss by Olympiad gold medalist Sadler, who foresaw this position earlier than rejected it. Since 1 Q or Bxd4 is met by Bf5. How could White have won?
Solution, Back Page

PERSPECTIVES

LUNCH WITH THE FT

Is this the real face of justice?

Geoffrey Robertson, crusader for human rights and husband of over-the-top writer Kathy Lette, tries to help Lucy Kellaway get to grips with the law

At one table a pale youth sat hunched over a packet of crisps. At another, a pair of badly dressed men were having an argument in sign language.

Presently a grander specimen of humanity swept in. Tall and imposing, with a loud pinstripe suit and even louder voice, here was my lunch date, the defence barrister Geoffrey Robertson.

"This," he said, waving an arm about the High Court's grim canteen, "is where I come for lunch when I'm working. It is here that you see the real face of justice. The nerves. The pain. The anguish. The hopelessness." He spoke in a rich, fruity voice that bore no trace of his Australian roots. "Most barristers tend to avoid this. I don't."

Robertson led the way to the counter and bought two cans of Diet Pepsi. He pointed at some curling sandwiches but advised against eating them.

Going without food was no problem for us that day, as Robertson had decided we would be having two lunches. This canteen lunch was for show; our real eating was to be done later at The Ivy, smart Londoners' favourite restaurant.

Over the phone he had explained that the point of having a second lunch was so we

you do not go to a Lawrence re-enactment at the Tricycle Theatre, but to *Measure for Measure* at the Barbican. Shakespeare said it all. Take Constable Elbow, he's so thick he cannot get a warrant to arrest a pimp.

"You have to be pretty stupid to end up in prison," he went on.

He launched into an anecdote about how his "beat-up BMW" got nicked the other day from outside his house, how he phoned the police with evidence that should have allowed them to make an immediate arrest, but their petty rules prevented them from following it up.

"Law enforcement in other countries is really producing the convictions. Our real problem is the Luddites, the chief constables who do not want national organisations interfering with their patch."

Geoffrey Robertson is full of ideas. Many of them may be excellent. After all, he tends to be on the side of the angels. He campaigned for human rights decades before it became fashionable. He has acted for Michael X, Salman Rushdie, Vaclav Havel, against governments of the day, Mary Whitehouse, Hastings Banda.

In no particular order, he told me how worthless was the Press

friend by the woman who took coats, and as we made our way across the room a middle-aged blonde got up from her table and put her arms around him.

He told me briefly that she owned the Old Vic (it was Sally Greene, head of the Old Vic Trust), and that he had been at the theatre a few days earlier watching *The Vagina Monologues*. His wife, the over-the-top Australian novelist Kathy Lette, had been reading a piece about the 18th century clitoris.

"I usually have the risotto nero," he said, taking up the menu. "The asparagus would be nice if you can bear what it does to the urine."

We ordered our food and half a bottle of wine, and with no more ado, he started describing his next book, *Crimes against Humanity: The Struggle for Global Justice*.

"It is a history of the move away from diplomacy to law in international governance," he said and took me on a journey from Idi Amin to Marcos to Pinochet, to Rwanda.

Finally, he mentioned Clinton, who was a contemporary of Robertson at Oxford and fellow Rhodes scholars.

Are you a fan, I asked. "Clinton is obviously a deeply flawed person who has nonetheless done a lot of good. We saw Hillary last year when she was back from Northern Ireland. I do expect her to become a senator, and to deliver what he might have if he was not a flawed 1960s male."

Is Robertson himself a flawed 1960s male?

He smiled thinly. I noticed the inside of his mouth had been stained black by the risotto. "You had better ask my wife," he said, and, as if reminded of something, declared: "We are looking forward to reading Germaine's [Greer] new book. I've always admired her. We see each other occasionally."

I then tried to get him to talk about the Australian expat set in London. But nothing doing. All roads led back to international law.

"Australia has a dreadful constitution," he said. "It is a document thrown together by six states in the 1890s."

I asked why he chose to write *The Justice Game*, his legal autobiography.

"Good question. There isn't much accountability among lawyers, and the more we start talking about ourselves the better."

This, I thought, was arguable, but I let it pass. Was there an



Geoffrey Robertson: 'There isn't much accountability among lawyers and the more we start talking about ourselves the better'

element of vanity involved? "No, there wasn't. I enjoy writing. I am married to a writer."

I asked if they sat side by side writing their different books. Him: *Crimes Against Humanity*. Her: *Girls Night In*, *Postal Attraction*. He said they didn't.

But what I really wanted to know was what went on between this odd pair. Does he lecture her

about human rights while she replies with her trademark one liners about sex?

Instead, I asked if he might ever write crime fiction.

"One should do a novel. I get irritated by Inspector Morse and P.D. James - inspectors are not great philosophers, in reality they are dull bores."

I said dull bores do not make

good books; he corrected me. "Leopold Bloom in *Ulysses* was a dull bore," he said.

"I find writing amusing," he went on. "but I've never found the law fun. The law is not there for anyone's enjoyment. It's very hard work. I always say to people if you want to enjoy life become a journalist."

That day neither journalist nor

barrister seemed to be working all that hard; it was half past four by the time we got our coats and went out into the cold afternoon in search of a cab. He asked me if I could drop him off at his Doughty Street chambers, but then had second thoughts, diving in to the nearest shop announcing he had to buy something for one of his children.

'I find writing amusing. I've never found the law fun. It's very hard work. I always say to people if you want to enjoy life become a journalist'

would be able to talk. But as we sat down on the canteen's plastic bench, I realised the precaution was unnecessary: Robertson seemed to have no trouble talking anywhere.

In the first five minutes, he had told me how barristers' robing rooms should be turned into coffee shops. How courts should have crèches. How awful it was that the new international criminal court is in a shopping centre in the Hague. How 20 years ago, when he started at the Old Bailey with the Oz obscenity trial, lying was endemic in the system.

Have things got better, I asked, squeezing in a question at last.

"I don't know if you've had time to dip into my book," he said, looking slightly irritated. "I wrote *The Justice Game* to explain how things have improved. I wanted to isolate some of the strengths of justice."

And he was off again, this time to the Lawrence report, and the stupidity of the police. "If you want to understand the police,

Complaints Commission, how spineless were the bosses of the TV networks, how ludicrous the libel laws (a law for the rich) and how there should be a privacy law."

It was all very well. Yet I was not finding my lunch companion as stimulating as I should have been. The more he forced me, the more debilitated I felt.

Suddenly he leapt from the table. The time had come for our second lunch. He went to collect his black coat and cream cashmere scarf and out we went to find a taxi. As we sat through the lunchtime traffic, he delivered a lecture on libel in Malaysia. Possibly sensing that my response was unsatisfactory, he broke into small talk, and we discussed the relative amounts of dog mess on the pavements in Islington (where he used to live) and Swiss Cottage where he now lives.

It almost amounted to a conversation.

Eventually we arrived at The Ivy. He was welcomed as an old

ETHICS TODAY JOE ROGALY

Touched by more than the sun

India might prosper with less freedom - but few are ready to abandon democracy

We have had another touch of the sun. For the past fortnight we have been sitting on a porch in Santiniketan, a university town about 160km north of Calcutta. Not all day, of course, but at dawn and in the evening. The rest of the time it is too hot and we flee indoors, to the ubiquitous fan or the rare air-conditioner.

The Monica book and interviews passed us by, save for brief mentions in the Calcutta papers. That kind of thing never arose in discussions here. Santiniketan has been home to two Nobel prize-winners: Rabindranath Tagore, for poetry in 1913, and Amartya Sen, for economics last year. Its educated elite shows deep respect for learning, scant regard for the clamour of the west.

Tagore founded the university, whose Bengali name means India and the world. He also established a village development school at nearby Sriniketan. Late in life he told of his early years as manager of his father's estate. He built a road, and said to the villagers alongside that the responsibility for the upkeep was theirs. "They replied: Very fine! We are to repair the road and then the *babus* can go and come in comfort. It is very difficult to help such people."

An internationally distinguished poet, writer and painter, he made space in the institutions he established for the sciences as well as the arts, for the individualism of Europe and the

promotion of self-help in villages. He was the argumentative friend of Gandhi, urging him to proceed with caution, and an important influence on Nehru. His early schools were *ashrams*, the pupils in a ring beneath a banyan tree.

You can see their like in Santiniketan today. Music, painting and sculpture feature strongly in this all-ages open-air academy.

Amartya Sen, now master of Trinity College, Cambridge, was greeted by adoring crowds when he came here in December. He takes care to avoid the trap of giving his fellow countrymen gratuitous advice on economic policy, but in an interview published in India he welcomed the post-1991 liberalisation and regretted the neglect by successive governments of education, land reform, health care and social security.

Sitting on our balcony I ruminated on the best forms of social spending in a market economy. There is a small lake, a pond really, upon which the fierce sun glares. Mud-walled houses line the far side of it. The people rise at dawn, perform their toilet squatting by the water's edge, wash themselves and their clothes. Small boys cast nets for fish. Cows, independent dogs, the freest-range chickens on earth, black hairy pigs, ducks, goats, roam around, foraging in the dust.

Most Indians live in villages. Not all of these are poor; it depends on local circumstance. But 400m of the

billion population are classified as living in poverty. In some villages, we were told, tuberculosis is rife. "I cannot take responsibility for the whole of India," said Tagore. "I wish to win only one or two small villages."

His words are well known to the intelligentsia who live around us. We discuss the whole of India, and the world, with some of them. One of our topics is how to govern such a huge country, such diverse people? Would less freedom have facilitated

We detected a determination to maintain an Indian distinctiveness in all things: be open to the world, but not absorbed by it

the creation of more wealth, reduced inequality?

This is awkward. India's greatest triumph is its devoted adherence to the principles of democracy. It is a wonderful achievement, but China, devoid of such niceties, has spread literacy and basic health care to a greater proportion of its people. It is China that first and most effectively exploited the capitalist whirlwind, India that is an often reluctant liberaliser, China that attracts the most inward investment.

No contest. Among the Indian elite relatively few would abolish democracy. A visitor to our porch argued that the collapse of the Soviet Union was not a systemic failure but the fault of Khrushchev and Gorbachev,

A colleague, of a similar political persuasion, gently demurred. India's democratic parties play rough, especially when in power, but in the end the rules prevail.

That said, many Indians believe that populist politics is an obstacle to growth. The unravelling of the "permit Raj" was first announced in 1991. An intricate web of licences, subsidies, regulation and state intervention is still discernible. A fresh impetus has been given to

limited privatisation, but the larger part of Nehru's mixed economy remains in place. Take one recent example. The telecom regulatory authority announced a new price structure, increasing local call charges and cutting back long-distance prices. We outsiders cannot say whether it made the right decision. That is beside the point. The opposition parties made a fuss and the government hesitated. This sort of thing happens in all democratic countries, but in India, where the need for modernisation is demonstrably overwhelming, it seems to happen too often.

We also talked, as the morning sun became unbearable, of globalisation of the world economy. The view may be different in the

wealthier states to the north and west of here, but we detected a determination to maintain an Indian distinctiveness in all things. This is consonant with what I understood of Tagore's teachings: be open to the world, but not absorbed by it.

We European visitors can sympathise with this. Some British politicians seem to dream of taking the UK into the US, but most Europeans would not follow. Indian life, for all the privations endured by many, has a distinct charm of its own. The ambience is quite unlike that of the Atlantic world. This is not to say that Indians are above materialism. You have only to turn on the TV to recognise the universal appeal to middle-class aspirations. The relatively well-off fifth of the population constitutes a huge potential market for mobile phones, cars, financial services and all the rest of the well-known package of capitalist goodies.

It is also true that wealthy Indian families who might once have sought places in British universities for their sons and daughters now look first to Harvard, M.I.T., Berkeley. Some such high-flyers become employable on the global marketplace. One of the most eminent is Amartya Sen. A graduate of Calcutta and Cambridge, he was a Harvard professor before he moved to his present job. But then he regularly comes home to Santiniketan for a touch of the sun, perhaps.

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BOOKS

Banking on nostalgia

Is there room for yet another mail order book club? Or for another hopeful small press? Jane Ducas talks to Nicola Beauman, who is convinced that reprinting women's fiction from the interwar years will find a niche market

When Nicola Beauman launches her book club, Persephone Books, next week, sceptics in the publishing world may well think her slightly crazed. Euphemistically, they will call her brave and wish her luck. Yet like most innovative ideas, Beauman's concept is the vision of a single-minded person, passionate about their purpose.

Reprinting fiction mainly written during the inter-war years by women for women and about women, Persephone books will sell by mail order and via the internet. In plain grey covers, the paperbacks with colourful endpapers taken from period fabric designs will pop through a standard letterbox in a jiffy bag. Persephone is not another strident feminist press – more a cosy female club. Aiming not only to inspire sales but also to beget a sort of charmed circle, its quarterly magazine with woodcut illustrations and period cartoons has a distinctly nostalgic air.

Every month in her Clerkenwell headquarters, Beauman will hold a luncheon gathering, a forum for discussion. "I would like our readers to feel linked to my imprint – they should look on it as partly theirs," she says, as we talk over a cup of tea poured from an enamel teapot. "Persephone people will be kindred spirits who want to share my venture with their friends, in the same way that they exchange the name of the right hairdresser or dressmaker."

Aged 54, with a Forties bobbed hairstyle, Beauman is wearing a tapestry weave jacket wrapped round a jersey dress. A self-confessed Hampstead liberal, she appears to epitomise the middle-class reader that she has in her mind's eye. Educated in London at St Paul's girls' school, she went on to graduate from Cambridge with a degree in English. She has five children (three from her first marriage), and her husband Chris is an economist working for the European Bank.

No stranger to publishing, she has written several books, among them *Morgan: a biography of E.M. Forster*, a bestseller, and *A Very Great Profession: the Woman's Novel 1914-39*, published by Virago in 1983. The latter is now a Virago Modern Classic.

It was while she was researching this book that she became obsessed with women writers of the era, an obsession that was the catalyst for the birth of Persephone. The new company will reprint 12 titles per year, costing £10 apiece, post and packaging thrown in, and in this way it will be a literary version of the well-tried niche marketing formula.

There are scores of book clubs, representing 8 per cent of the UK book market. With a turnover in excess of

£100m, Book Club Associates (BCA) has 2m members with 20 individual clubs. Each is aimed at a specialist niche, whether for railway addicts, history buffs or science fiction fanatics. "We are getting better and better at niche marketing," says John Roberts, managing director of BCA. "In February, we initiated Escape The Fiction Club."

Persephone is not another strident feminist press – it is more a cosy female club, aiming not only to inspire sales but also to beget a sort of charmed circle with its quarterly magazine

Reading habits and the literary map are changing rather dramatically. Whereas literature used to be either elitist, represented by the likes of Iris Murdoch, or populist, typified by Barbara Taylor Bradford, the centre ground is now filled by authors such as Louise de Bernières, Sebastian Faulks and Joanna Trollope.

For Beauman, this is propitious

news. "Readers who love Trollope are exactly the ones I hope to attract," she says. "Her novels are essentially English. Ours are, too. However, the historical context gives them added interest. They are all wonderfully written, often by neglected authors." So is this, I ask, the new Virago? Flattered, she blushes at the notion. "Persephone

is feminist though not with a capital F," she explains. "The books are domestic not angry, realistic not idealistic, and not generally recognised literary masterpieces."

Indeed, *Someone at a Distance* by Dorothy Whipple, one of Persephone's three inaugural titles, was dismissed as lightweight by Virago's founder Carmen Callil. "There was a

standing joke at Virago about 'the Whipple level'," she says. "There are many reasons for publishing books but I never would consider anything as badly written as Whipple." Beauman staunchly defends the novel, considering it a compelling tale, a fascinating insight into the psychology of a weak man and the life of a bourgeois family during the Fifties. Callil is quick to point out that the kind of conviction Beauman shows, coupled with flair and taste, are the key to a successful imprint.

"Most of the intriguing enterprises begin outside the giant publishing conglomerates that are ruled by corporate finance," says chairman of the Independent Publishers Guild, Adrian Brink, who runs Lutterworth Press. "I believe there is a pent-up desire for nostalgia. After all, we live in an ageing society, yet the past tends to be ignored."

Over a decade ago, Michael and Helen Trayler started Wordsworth Editions, reprinting classics: Jane Austen, Dickens, Kipling *et al*, selling at £1 a copy. By keeping their overheads low, working from a small office in Ware, they have built up a list of 750 titles and a turnover in excess of £3m.

Today, finding a niche is pivotal for a would-be small publisher. "Independent publishers are very good at getting into sectors that are beginning to move but are still ill-defined," says Jessica Kingsley, an expert in the area of psychiatry, social work, education and art therapy. "In 1998, I put up £500k in capital, staked my home as a guarantee for an overdraft, and recently, the business passed the £1m barrier. Essentially, I created a demand for my titles by using direct mail." As a result of her large mailing list, bookstores kept getting requests for her books. So they decided to stock them, proving that there is a handy spin off for retailers through marginal fields.

Again, Ann and Geoff Napier of Cygnus Book Club hit the G spot when they decided in 1991 to focus on holistic books, devoted to the renewal of mind, body and spirit. To their surprise, their business took off so fast that they outgrew their house and had to move. "Now BCA are entering the arena," says Geoff. Selecting 60 books a month, Cygnus has 19,000 active members.

Beauman calculates that she needs a mailing list of 10,000 for her business to make a profit. Certainly, Persephone is no homespun affair. She has invested £100,000, hoping to break even by 2001. Amazingly, she has printed 5000 copies each of her initial three books. Apart from the Whipple, she is publishing Monica Dickens's *Martina*, with a preface by Nina Baym, and *William – an Englishman*, a profoundly moving



'A Lapful of Windfalls' by Clare Leighton, which appeared in 'Four Hedges', 1935

book about the first world war by Cicely Hamilton.

Despite these sizeable print runs, Beauman is quietly confident, even though her first mail shot goes out to only 750 households. Shortly, she plans to advertise to the friends of the V&A and in the National Theatre's programme. Meanwhile, she has taken a stand at the Country Living Fair. Readers of that magazine – women drawn to traditional English values – span a broad age group from 30 to 70 and probably accord with Beauman's eloquent description of her potential customer: "they embrace flat beautiful shoes rather than high heels, organic vegetables rather than supermarkets, the Landmark Trust rather than holidays on hot beaches."

Several questions remain. Do enough women want to read novels that some editors in the trade would describe as 'minor works'? It is no secret that in the 1980s, the sales of the previously highly successful Virago Modern Classics dipped. "The well had been drained, the treasure trove came to an end,"

says Lennie Goodings, Virago's publisher. "But no doubt Nicola has discovered some books that deserve the light of day."

All the same, are they relevant to the 1990s, when gritty urban fiction and Bridget Jones are fashionable? Besides which, 100,000 books are published in the UK annually; furthermore, book shops are getting bigger and bigger. But Beauman is undaunted. "Armed with their credit card, women go in to buy and can't find anything except sex and shopping or the very highbrow," she believes. "You can order garden gear, kitchen equipment, everything by mail, and of course books. But at the moment, book clubs don't do any selecting for you. We will make three choices every season. If women enjoy the books, they will say to themselves, for £100 a year I can have a dozen wonderful reads. They will trust us."

Persephone Books is at 28 Great Sutton Street, London EC1V 0DS Tel: 0171 253 5454.



'Living in the Country' 1941, by Frederick Smith and Barbara Wilcox

A genius in search of direction

Yet there is heroism of a kind in the 'Monty Python' creator's blend of the visionary and Luddite, writes Nigel Andrews

GILLIAM ON GILLIAM

edited by Ian Christie
Faber £17.99, 287 pages

has never been in doubt, whether depicting giants with full-size galleons for headgear (*The Time Bandits*), armoured knights charging through New York (*The Fisher King*) or floral carpets coming to Hieronymus Bosch life in *Fear And Loathing*. But the conceptual *raison d'être* for these brainstorms is often shaky, going on non-existent. And Gilliam can produce structureless mishaps like *Baron Munchausen*, where all the world's an overblown novelty shop.

Yet there is heroism of a kind

in his blend of the visionary and Luddite. In the book's best passages Gilliam describes the primitive, non-digital (barely even technological) means whereby he produced bargain-price special effects or fantasy creatures. For the title ogre in *Jabberwocky* he overcame the usual snag of stuntmen in rubber suits – human knees bend the wrong way for animals – by having the stuntman face backwards wearing a reversed costume. (That way his arms could also make wings.) And what Gilliam can do with a gold-splashed backcloth, for a night sky, or a dozen ill-paid extras (he can make them seem a hundred) is nobody's business; or nobody's except the completion guarantors who rejoice that even when this director goes over

budgets he can still trim.

How he came to make movies at all seems an accident of ancestry, though perhaps a divine one. One grandfather ran a cinema, the other was a southern Baptist

How he came to make movies at all seems an accident of ancestry, though perhaps a divine one

preacher. What else could the boy grow into but a filmmaker with evangelical pretensions?

He says he read the whole Bible through as a child, twice. So no one could wonder that his earliest feature films as joint creator included *Monty Python* and the *Holy Grail* (co-director) and *The Life Of Brian* (designer),

Python's great diptych on matters religious/teleological. Gilliam tried to make them serious as well as funny by insisting on period detail and density of texture. The other Pythons thought this was otiose. Jokes are best

left uncluttered, they felt. Why dress them up like Brueghel, Titoretto or Alma Tadema?

Partly from pique. Gilliam struck out on his own with the patchy *Jabberwocky* and promising *The Time Bandits*. Since then he has made two films, *Brazil* and *The Fisher King*, that come closer to reconciling surreal com-

edy with messianic message-mongering. The second threaded medieval myth through modern Manhattan, with Robin Williams and Jeff Bridges well-partnered in a serio-comic take on themes of quest, trial and romance.

Brazil was overwrought, over-Orwellian and overlong. But Gilliam's dystopic metropolis looked stunning: the hi-tech buildings with their colostomy elaborations (giant service ducts infesting even the dining areas of luxury restaurants), the Samurai giant moulded as if from city grime, the leucis dreams of the hero played by Jonathan Pryce. The pictures carry the movie's passion, emotional and intellectual, and at times Brazil's grandiloquent blend of naivety and paranoia lives up to Gilliam's own

description of the film: "Frank Capra meets Franz Kafka".

We still await the true masterwork, and Gilliam himself seems in two minds about every film he has made. Soon after cogently criticising *Baron Munchausen*, in this book – "I think we ended up rushing some sections, so it becomes a bit of a jumble... In my films there's always a danger if being swamped by the visuals, that's my albatross" – he says of the film, "It's great to have made a lost classic."

Gilliam compares himself more than once with Orson Welles, that archetype of misused greatness, but he hasn't yet made a *Citizen Kane*. At the same time, he is almost the only filmmaker with access to the Hollywood coffers who just might, given a fair wind, a disciplined script, a tough-love producer and a sprinkling of miracle, make a *Kane* for our times.

To order 'Gilliam on Gilliam' at the special price of £14.99 (UK p&p free), call FT Bookshop on +44(0)181 324 5511

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FICTION IN BRIEF

Fragile love stories gather irresistible momentum

The title of Ali Smith's new book has a repetitive sound to it. The printed page is kinder, revealing a muted degree of difference between Other Stories and other stories (Granta £9.99, 177 pages).

Half of these 12 stories are told from the perspective of a narrator addressing her partner, the significant "Other" of the collection's title. Arranged alternately between these are the rest of Smith's stories – narratives spun from the stuff of other lives.

The "Other" stories are told with candour and passion. The events they describe are not overly dramatic – disinfecting a house overrun with insects ("Small deaths"), receiving flowers from an unknown source ("Blank card"), travelling together abroad ("Okay so far"). The most potent moments tend to be the quietest: a whispered telephone call from work, drowsy bedroom

conversations, the light touch of interlocking fingers.

Smith powerfully describes the shared experiences and intimacies that bind two people into a couple; that they are two women is rarely stated. Her stories work towards a rhapsodic appreciation of the overwhelming importance another can assume in a person's life which transcends gender.

A fine example of this is "The theme is power", in which the narrator finds the different strands of her life cohering around the sleeping form of her lover: "I lie in our unpaid bed and trust you, carelessly, precariously, with my whole heart." Love, here, is a narrative which gathers its own irresistible, if fragile, momentum.

Much the same can be said of Ali Smith's writing in this collection. It is scored by melancholy, often beautifully rendered. Childhood, for instance, is described as "a time of effortless seasons, fanning down one after the other like the pages of a book slow-riffed by the thumb of some blithe, indolent

hand." But underlying this tone are the words voiced by the narrator of "God's gift": "I know every day, every hour is a gift."

Smith's stories throughout are centred upon a resilient core, such as the mother sustained by faith in "Kasia's mother's mother's story", or the two destitute girls celebrating New Year's eve together in "Miracle survivors". Lack of the will to live, in the form of the anorexic girl in "Virtual", leaves the narrator of the story quite simply baffled. Poised, intelligent and imbued with a sense of hard-won optimism, Ali Smith's stories are every bit as worthwhile as the lives they describe.

Ludovic Hunter-Tilney

Full of pain and freakish laughter

Cartooning is an art boxed in by convention. A bubble filled with thoughts or words floats above a caricature: squiggles and scratches indicate motion; the payoff arrives on schedule in the strip's last panel –

it's a formula we recognise and accept. But a narrow set of conventions can free up the artist's fancy. Constraint teases imagination.

Domestic fiction is boxed in almost like the comic strip. And J. Robert Lennon's *The Funnies* (Granta £9.99, 301 pages), a particularly satisfying tale of a family wrecked and partially reassembled by cartooning, proves once more that there's room left for pleasure and surprise within the play-it-again confines of the stay-at-home novel.

Here's the gag: famous cartoonist Carl Mix, creator of the "Family Funnies", has died and left to his son Tim his widely syndicated comic strip – but the will stipulates that Tim must learn to draw in Family Funnies style within three months. Tim Mix thinks of himself as an artist (his work is literally garbage, out of which he creates "installations"); he hates his father and despises the squeaky-clean cartoon, a sanitised, saccharine version of the Mix family's actual everyday dysfunction.

Tim tells his story in a wry, unhurried manner. In addition to the inevitable love interest (she's plump, she blushes), he introduces us to his senile mother, his schizophrenic brother and other

assorted traumatised siblings. Pained reminiscence summons the ghost of the brutal, alcoholic father. All this set in a banal, suburbanised small town: Riverbank, New Jersey.

Standard stuff, but neatly executed, with unexpected intelligence. The play between comic-strip caricature and the trick of animating a novel's characters is always there and never obtrusive. For example, the mayor of Riverbank (soon renamed Mixville in honor of the late cartoonist) is "a high-strung, red-faced fireplug of a man with wild tufts of gray hair above his ears, and none on top". Compare with Tim's brother's description of chronic schizophrenia: "a foul brown paste that had been smeared on him and that he couldn't get off".

Tim learns to see art in the "Family Funnies", but at the same time begins to draw in a "new, slightly disturbing cartoon style". At the nursing home he sketches his mother, ruined by alcohol and dementia: "her hunched, vulnerable curve in the wheelchair, the rare stoop over her walker, the miserable wrinkle she made under a sheet".

Tim's teacher tells him, "Cartoon characters are deformed freaks we are convinced are like us." J. Robert Lennon turns this truth inside out and shows us how the familiar and the banal are strange and rich in meaning, full of pain and freakish laughter.

Adam Begley

Countdown to death of Push

Darling of the firm

ULLIE LAURENCE
Manner, Manner
and Manner

BOOKS

Countdown to the death of Pushkin

He died defending his honour, but his country mourns him still. Arkady Ostrovsky on Russia's greatest poet

PUSHKIN'S BUTTON

by Serena Vitale, translated by Ann Goldstein and Jon Rothschild
Fourth Estate £16.99, 398 pages

The 37th year of a century has twice proved to be a black time for Russian culture: 1837 saw some of the greatest Russian poets and writers vanish in Stalin's labour camps and KGB cellars; and 1837 saw the death of Pushkin. As Osip Mandelstam said, only in Russia is poetry respected – it gets people killed.

Outside Russia Alexander Pushkin is simply known as "Russia's greatest poet", but for the Russians he is a vital part of existence, a man for whom people grieve as if he died yesterday. He got the better of the Royal court and secret police, who tried to tame him, and defied Soviet attempts to turn him into an obedient monument. He was and still is the only absolute in Russia's ever-changing history.

Russian literature can be divided into pre-Pushkin and post-Pushkin eras – like before Christ and after Christ. Pushkin single-handedly launched Russia into the mainstream of European culture and caught up with several centuries of western Renaissance. He was Russia's Renaissance. He lived just 37 years.

He died in a duel, fighting Count Georges d'Anthès, a pursuer of his wife, Natalya Goncharova, an immature but fascinating creature, a favourite of the Tsar, who was considered the most beautiful woman in St Petersburg. It was a personal quarrel, but it assumed a symbolic dimension: Pushkin defended the right to remain a private man in a state where privacy was never allowed. He fought for his honour at a time when honour and dignity were a falling currency, when spying and informing were widespread.

Serena Vitale's *Pushkin's Button* is an investigation of the events, motives and intrigue that led to Pushkin's duel with d'Anthès. Georges d'Anthès was a defeated French Royalist who came to Russia "to get ahead", a careerist and "supremely clever broker of his capital of good looks and good humour". He was ushered into Russia's high society by Baron Jacob Heeckeren-Beverweerd, the Dutch ambassador to Russia, who fell in love with d'Anthès, adopted him and guided him in his dealings with Pushkin.



Alexander Pushkin: his insulting letter left d'Anthès with no option but to fight

Vitale's biggest contribution to the otherwise well-documented history of the duel is the publication of previously unknown correspondence between d'Anthès and his adoptive father, from the family archive of Heeckeren in Paris. These letters expose the manipulative nature of d'Anthès in his dealings with Natalya. But they also confirm a homosexual link between Heeckeren and his adopted son – which, however, did not stop d'Anthès in his romantic pursuit of Natalya.

When Pushkin and Natalya married she was only 19. Highly superstitious, he considered it a terrible omen when, on the day of their wedding, candles went out and the cross fell during the ceremony. A week later Pushkin wrote to a friend: "I am married – and happy. My only wish is that nothing changes in my life", as if he knew it would. On November 4, 1836 Pushkin received an anonymous lampoon which "unanimously named Mr. Alexander Pushkin coadjutor to the grand master of the order of cuckolds and historiographer of the order".

Copies of the letter were sent to seven or eight of Pushkin's close friends. Pushkin's reaction seemed calm: "If they spit on my clothes from behind, it's a servant's job to get them clean." But this letter started a countdown to Pushkin's death.

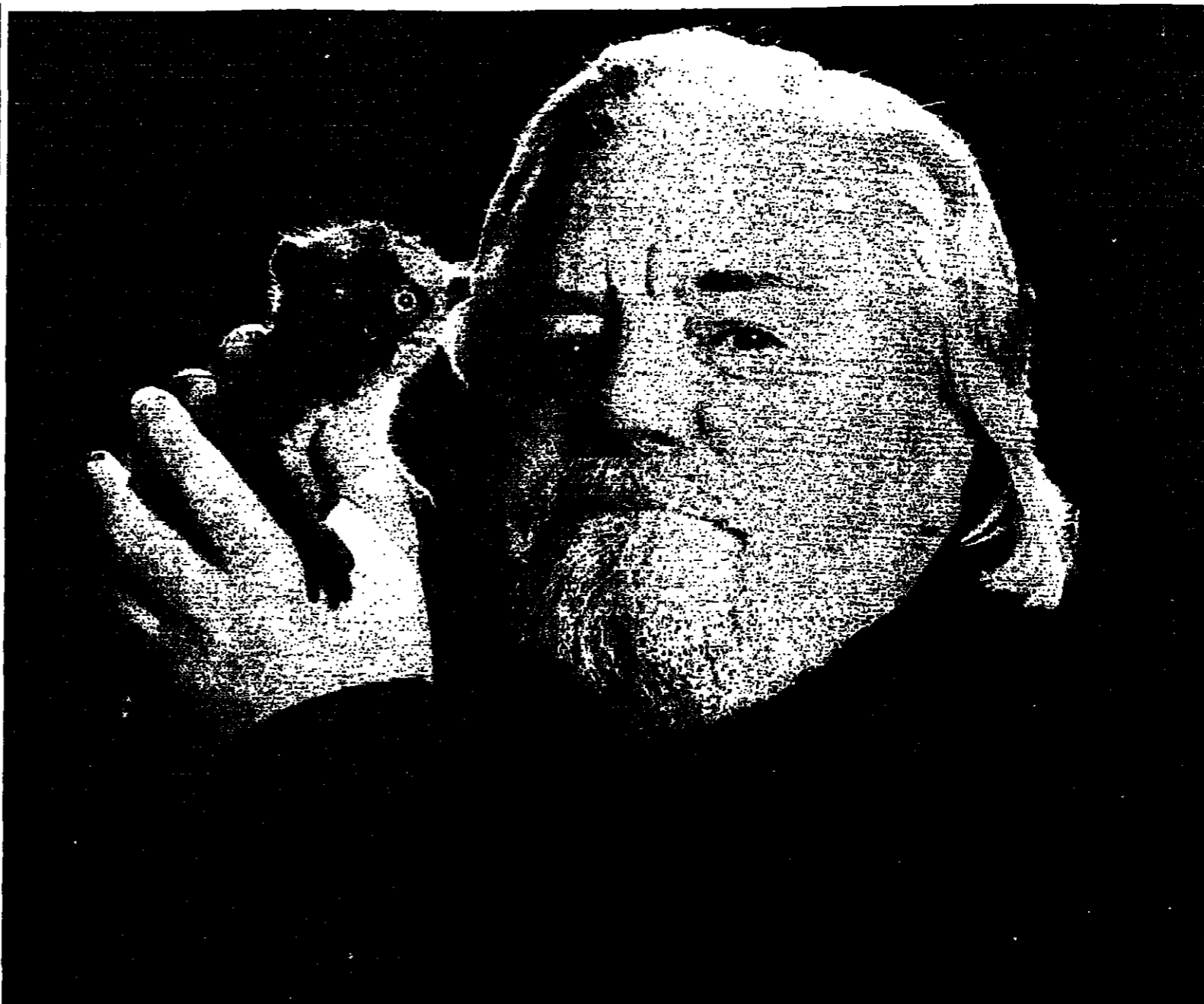
In the morning of that day, Natalya told Pushkin about d'Anthès's pursuit of her and of Heeckeren's soliciting – Heeckeren tried to persuade her to see his lovesick son. That evening, Pushkin sent his first challenge to d'Anthès. After 12 days of politicking and negotiations, a solution emerged. d'Anthès, who claimed he was always in love with Ekaterina, Natalya's sister, would make her a proposal, and Pushkin would withdraw his challenge. On January 10 d'Anthès married Ekaterina. But the truce did not last.

On January 26, Pushkin, determined to clear his wife's name once and for all, sent Heeckeren an insulting letter which left d'Anthès with no option but to fight. The duel was fixed for January 27. Pushkin seemed happy that morning. At 4.30 that afternoon, d'Anthès and Pushkin met on the outskirts of Petersburg, near the Black river. On the way, unknown to him, his carriage and Natalya's passed each other. Pushkin took d'Anthès's bullet in the stomach, where it smashed his pelvic bones; on January 29, after 48 hours of agonising pain, he died.

Vitale's book is not a straightforward account of Pushkin's last years. It is a personal quest interspersed with literary allusions, devices and flourishes which, if anything, spoil the otherwise well-researched book and complicate the tangled story still further without adding much to our understanding of Pushkin. It loses in comparison with a book by the Russian scholar Stella Abramovich – alas, little known in the west – whose *Pushkin in 1836* is an example of academic modesty and dedication.

Vitale's book abounds in phrases such as "Beauty trailed in her wake like a radiant shadow and walked before her as teasingly as the inevitable epitaphs..." But Pushkin's life hardly needs any extra dramatising, and the most powerful parts of Vitale's book are those where she abandons literary devices and recaptures the story of Pushkin's last duel. Vitale's breathless account – of Pushkin's last 48 hours, as well as the publication of the Heeckeren letters, makes up for some of the weaknesses in the rest of the book.

Two years after Pushkin's death, Gogol wrote to his friends from abroad: "How strange! My God, how strange – Russia without Pushkin. I will come to Petersburg, and there will be no Pushkin. I will see you – and there will be no Pushkin..." 162 years on, the immediacy of the loss remains.



Gerald Durrell: a kind of zoological Rupert Brooke in his youth, his preoccupation with animals destroyed one marriage and created another

Born to be wild

David Nicholson-Lord on the life of Gerald Durrell, who pioneered the breeding of endangered species in captivity

GERALD DURRELL:

The Authorised Biography

by Douglas Botting
HarperCollins £24.99, 644 pages

It's an under-appreciated fact that while there are said to be 5,000 tigers left in the wild today – a figure that is almost certainly an over-estimate – there are at least that number, and probably a lot more, in captivity. So if the tiger, as now seems more likely than not, goes extinct in the wild, it won't have disappeared from the planet. In time the so-called "demographic winter" of human over-population will pass, the wild will become freer again and tigers will be released back into their former haunts, at the heart of a humanity which by then may have learnt a little better how to live alongside other species without exterminating them. But since that happy eventuality lies a few hundred years in the future, and tigers don't live that long, we will also have to get very good at what is known as captive breeding – not merely of the tiger but of many of the 30-million-plus other species that are trying to survive.

Gerald Durrell was one of the first people to have grasped that fact and to have done something practical and remarkable about it, often in the face of adversity and of criticism from those who should have known better – notably the zoological establishment – and also at some cost to his health and happiness. In 1959 he founded, in Jersey, a new kind of zoo – one designed for animals as much as people and

with species survival its priority. He was already, at that point, a best-selling and world-famous author – *My Family and Other Animals*, the account of his childhood in Corfu, sold 300,000 copies in six days in the Soviet Union alone after its publication in 1966 – but it was the zoo, and its role in captive breeding and species protection, that dominated his life until he died in 1996. And it was the zoo that helped to destroy one marriage and create another, and turned him from a sunny, golden, handsome figure – a kind of zoological Rupert Brooke – to the portly, care-lined individual, jolly and

could never have conceived in his worst nightmare" – the wave of extinctions that have followed the spread of humanity. "Since his struggle with that problem helped to kill him, it could be said that Gerald Durrell laid down his life for the animal kingdom and the world of nature he loved." Botting adds. But there's no element of hagiography, Durrell, as he points out, was not a saint – he was subject to violent jealousy, particularly where women were concerned, didn't take kindly to being crossed and could sometimes be brutal and callous. It's an authorised biography only in the

which were largely what gave them their appeal.

Nevertheless, it's a compelling read, made more so both by the strange lessons and paradoxes of Durrell's life and character and by the poignancy that overlay it. The account of his childhood in Corfu, for example, which borrows heavily from *My Family*, could serve as an awful sideways commentary on the modern education system. Durrell had no schooling or formal education, passed into adulthood without exams or qualifications but, as a consequence of being able to indulge a passion for natural history in a place rich with it, and under the informal tutelage of an older and encyclopaedically knowledgeable friend – who was in effect a mentor – he became one of the great conservationists of the age.

Durrell thought, and Botting agrees, that school would have been his undoing. The magic of his four years in Corfu, between the ages of 10 and 14, haunted Durrell for the rest of his days – so much so that when he returned there half a century later he couldn't bear to look at what mass tourism had done to it, staring fixedly at the Albanian coast until the skyscraper hotels were out of view. His books and films had played a part in this – adding guilt at what he had done to disbelief and despair at what others were doing, not merely in Corfu but in the wider world beyond. What made this even harder to take was that Corfu, by his own reckoning, had taught him pleasure. Indeed, you might very well argue that his adult life, not least his passion for nature, and the mission it inspired, was an attempt to recapture a childhood which for Durrell, clearly, had come perilously close to paradise.

Although no saint, Durrell is described as 'a latter-day St Francis, confronting a problem that St Francis could never have conceived in his worst nightmare'

charming still but prone to fits of depression and alcohol abuse, who inhabited the second half of his life.

Whether his chief legacy will be the impact of his natural history books on several generations of readers, or that of the Jersey (now renamed Durrell) Wildlife Preservation Trust on several dozen threatened species is harder to tell, however. Thanks in significant measure to Durrell's proselytising, captive breeding is now an accepted part of the conservation armoury and zoos can no longer afford to be peepshows. If they're not about biodiversity, they no longer have the right to exist.

Douglas Botting clearly admires his subject, and why not? He describes Durrell as a "latter-day St. Francis, confronting a problem that St. Francis

sense that he was allowed exclusive access to Durrell's personal archive as well that of the Jersey trust.

This enables him to cast telling light on the personal cost of Durrell's self-set mission – but sometimes, I fear, it has tempted him to a quotation too far. Durrell went on lots of trips to remote places and described most of them at great length, and with lyrical intent, in letters and diaries. Unfortunately, though he may be a more popular writer than his brother Lawrence (author of *The Alexandria Quartet*), he's probably not as good – to his credit, he never thought he was – so after a while one tends to experience lyricism-fatigue. In his books, of course, such passages were broken up by tall stories of far-fetched animals,

Darling of the fin-de-siècle fast set

Gilding the Lily: Jackie Wullschlager on a beauty seduced by pleasure

LILLIE LANGTRY:

Manners, Masks and Morals

by Laura Beatty
Chatto & Windus £20, 336 pages

Among artists, it is those on stage – singers, dancers, actors – who are most fanatically adored in their lifetime, yet who are most haunted by the knowledge that immortality eludes them. In the 19th century, the first age of popular hero-worship, this sense was especially acute; today technology – film, television, the recording studio – has granted performers an after-life of which earlier artists could only dream.

The Victorian age was full of dazzling, histrionic performers – Sarah Bernhardt, Jenny Lind, Lillie Langtry – whom we know now only as flat images on a page. The transience of their larger-than-life reputations, the eagerness with which they grabbed fleeting fame, endows them with tragic grandeur. Yet they are the trickiest biographical subjects, because nothing is

left of the art which set them apart. Neither their voice nor their vision echoes down the centuries; we do not read their books or see their paintings. Instead their art is enmeshed in the intrigue of theatre and society, which looks trivial in the context of history.

Born in 1863, only daughter of the Dean of Jersey, Lillie grew up a tomboy who sailed and rode on horseback along the seashore, her Titian hair streaming as she raced to keep up with her brothers. By the time she was 20, they had escaped to the armed forces, and Lillie was languishing when "there came into the harbour a beautiful yacht. I met the owner and fell in love with the yacht. To become mistress of the yacht. I married the owner."

Within months, Ned and Lillie Langtry had so little to say that they even avoided breakfast together; they moved to London, where for two years Lillie hung round the haunts of the *beau monde* until a chance encounter with a Jersey lord yielded an invitation. Overnight, she became the darling of the Prince of Wales' fast set, the latest craze of a sensation-hungry, decadent court.

Princes and dukes competed to become her lovers, artists queued to paint her. "I can't imagine", wrote Burne-Jones "a face more radiant or look more serene – like day itself she is"; Oscar Wilde of her as Venus risen from the sea caught the freshness of her appeal and the wildness of her background. Wilde made her his protégée; accompanied by Ned, "an uninteresting fat man" whom everyone ignored, Lillie spent the next decade partying.

Poor Ned is the comic relief. Almost ostracised for dullness, he was suddenly swamped with invitations to shoot and fish on Scottish estates when Lillie became pregnant, and the Prince of Wales, one of many candidates for paternity, arranged for the couple to be kept apart until after the birth. They then separated, and Lillie briefly set up home with her plebeian lover Arthur Jones, but soon she was back chasing millionaires.

As an actress touring America and later as a racehorse owner, she made a fortune. On the night she won £100,000 on the Cesarewitch, Ned died in a lunatic asylum, sent there as a drunken vagabond insanely claiming to be



Swaying like flotsam on the sea of fashion, Lillie's was a life with no passion at its core

Lillie Langtry's husband.

There have been great biographies of actresses – Claire Tomalin's *Mrs Jordan's Profession* and *The Invisible Woman*, about Dickens' actress-mistress Nelly Ternan, each illuminates a world and tells a mesmerising tale. But such biographies need exceptional skills of narration and human insight, neither of

which Laura Beatty possesses. Lillie Langtry, known as the "Jersey Lillie" after Millais' portrait of her, was a society beauty who lived for fame. Beatty's contention is that she sold her soul to the public, and paid the price of a hollow inner life ending in loneliness. Faust of the metropolis, however, she is not, for in the parade of pleasures by which Lil-

lie was seduced, there is no glimmer that anything deeper was sacrificed.

Swaying like flotsam on the sea of fashion, Lillie's was a life with no passion at its core – professionally competent but no genius, emotionally promiscuous, hedging her bets and keeping her options open, there is no Faustian bargain to thrill to here and

the result is merely a litany of lovers, roles, and dresses which fails to compel or move.

There is no evidence that Lillie found her existence as vacuous as readers of this biography will: she covered her tracks, wrote an upbeat memoir, and was not given to reflection. Beatty compensates with spindly moralising – "it will not be possible to exonerate her from the ultimate charges of corruption and betrayal of self" – and pretentious nonsense about how "we must lift the masks Oscar Wilde taught her to wear". Like many 1990s biographers occupied with the last *fin-de-siècle*, Beatty's chatter about "manners, masks and morals" takes inspiration from Richard Ellmann's magnificent life of Oscar Wilde, whose theme is that "Wilde was conducting an anatomy of his society, and a radical reconsideration of its ethics. Always endangered, he laughs at his plight, and on his way to the loss of everything jolies society for being so much harsher than he is". In this game, Lillie was a blind pawn – Wilde wrote the part of the fallen woman Mrs Erlayne in *Lady Windermere's Fan* for her, but she refused to play it or to acknowledge its meaning. Beatty's plodding account adds nothing to the glittering picture of this epoch, seen through the tragic isolation of Wilde the visionary, that Ellmann gave us a decade ago.

ARTS

Scenes of discord, deficits and despondency have been rife at Covent Garden. But now things are looking up for London's opera goers

Crescendo of optimism

Covent Garden is rising from the ashes of its previous administration. Andrew Clark talks to the Royal Opera's new executive director, Michael Kaiser

The main auditorium has a pristine aura of gold, ivory and red. The studio theatre is taking shape. The glass ceiling of Floral Hall looks spectacular, and through the builders' dust you can just make out the site of the amphitheatre bar, next to a new covered walkway overlooking the Covent Garden piazza.

The news from London's Royal Opera House is getting better and better, and the last stone – the appointment of an artistic director – should be in place within

The odds-on favourite for the appointment of artistic director is Antonio Pappano, 39, music director of the Monnaie in Brussels

the next week or two. The odds-on favourite is Antonio Pappano, 39, currently music director of the Monnaie in Brussels. Pappano would have the same leadership role with the Royal Opera as Anthony Dowell at the Royal Ballet. That would leave Michael Kaiser, the executive director recently imported from New York, holding the balance of power. All that needs to be sorted out is the wording of the contract – which could be settled by Easter.

Pappano, born in the UK but trained in the US, has conducted at Covent Garden just once, 10 years ago. His appeal lies in the fact that he has a recording contract, an international career and a skill that extends across Italian and German repertoire. Above

all, he is young and vital. By tying his fortunes to the Royal Opera as it climbs out of the mire of redevelopment, he will assume a greater burden of responsibility than any other conductor in its history.

A year ago the board was looking for a general director similar to Hugues Gall at the Paris Opéra: a man possessed of artistic and administrative flair as well as political antennae. By last autumn the prescription had changed to that of artistic director, to complement the backroom skills of the newly-recruited Kaiser. Having failed to enlist a suitably authoritative figure for this power-sharing role, the board concluded that artistic leadership could just as well be provided by a conductor.

The model is that of the Metropolitan Opera in New York, where Joe Volpe assumes overall command and devolves artistic responsibility to James Levine and his assistants. But unlike the Met, which has no dance company, Covent Garden's new power-structure guarantees the Royal Ballet an equal voice.

The appointment will not take effect until 2002, enabling Bernard Haitink to see out his contract as music director, and giving Kaiser room to entrench himself as *de facto* general director. That would be just fine: the repertoire for the first three seasons is already in place, leaving the new artistic/music director a pre-eminent voice in long-term planning.

It's hard to imagine a jet-set conductor becoming the public face of the new theatre, any more than the media-shy Anthony Dowell. By letting the loquacious Kaiser take the pivotal role, the board is stressing the opera house's new-found fiscal responsibility. Kaiser, 45, oozes competence. Having turned round three ailing ballet companies in the US, he understands the psychology of image-making – a crucial skill in an environment weighed down by problems of the past.



Michael Kaiser: the real measure of the new facilities will be 'that the art continues to be wonderful and gets even more wonderful'

Unlike his predecessors at Covent Garden, Kaiser is media-friendly and has an answer for everything. He stresses his supportive role: "My job is hearing what the two artistic directors want to do, it's proposing timeframes in which that becomes affordable, and it's finding the resources, in supporting them. I play a leadership role in respect to donors, government agencies and a lot of the staff."

Although Kaiser's track-record suggests three years is his maximum in one place, he expects to spend at least five at Covent Garden. He doesn't have a contract: he can walk out whenever he wants, a fact of which the board will be all too aware. The recently published diaries of Mary Allen, one of Kaiser's short-lived predecessors, provide graphic accounts of interference by Vivien Dufield, a wealthy

member of the board – but Kaiser has no fears in that respect. While acknowledging regular contact with Dufield, he says he does not feel harassed or harassed. "When I took this job, one of the things I said at my interview was 'we have to get our roles clear here'. The board plays an oversight role, the board has a role in fundraising, it has to set

policy and it approves a budget. The board does not manage the institution." After the opera house opens on December 1, Kaiser says his goal will be to raise the number of performances from 200 in the 2000-1 season to 300 by 2002-3 (the old house had around 270). There will be summer seasons by guest companies, initially promoted by outside producers, starting with the Kirov next year. The payroll will be \$30, down from \$50 before closure, but an additional 150 will be employed casually. Kaiser says the opera house was over-managed: his priority is to reduce spending on administration and divert the proceeds to artistic product. The deficit, currently

£7m, should be paid off early next year with the sale of administrative properties along Floral Street.

The biggest public relations coup for the redeveloped theatre will be the opening to casual daytime visitors of a spacious "internal street", extending from Floral Hall to the amphitheatre bar. The other key to "access" is the new 420-seat studio theatre: it will host free lunchtime chamber concerts, small-scale visiting companies, education workshops and some experimental dance – but, until funding is found, no in-house productions.

Apart from fresh paint and neatly camouflaged lighting, the only visible change to the main auditorium is the re-raking of the stalls. The real transformation is backstage: a state-of-the-art fly-tower, new machinery reducing stage turnaround time by half, an acoustically-sealed rehearsal stage, new dressing rooms and offices, and four new ballet studios, giving the Royal Ballet living quarters at Covent Garden for the first time in its history.

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Happily humming along at the Coliseum

Nicholas Payne can afford his own little in-joke in his first programme for his new house, writes Antony Thorncroft

Nicholas Payne is the opera director who found a better home. For five years he was in charge of opera productions at the Royal Opera House, Covent Garden, where he had ambitions of becoming chief executive, but last year he was lured a few hundred yards down the road to take over English National Opera at the Coliseum.

Yesterday he announced his first programme for his new house. The 1999-2000 season begins on September 4 with the ENO's first ever production of Weber's *Die Freischütz*, and among the 10 new productions are Mark-Anthony Turnage's new opera *The Silver Tassie* and the first staged London version of Peter Sellars' *Nixon in China*.

It is not all challenging stuff. Payne has allowed himself one operatic in-joke. When the Royal Opera House re-opens on December 1 the ENO will be performing Handel's *Alcina*, an opera that Handel wrote at the

request of Covent Garden.

Payne is keeping his major fireworks for the autumn of 2000 when his millennial tribute celebrates 400 years of opera in the form of 10 new productions in three months, starting at the beginning with Monteverdi's *Coronation of Poppea* and ending with Verdi's *Requiem*, taking in Handel's *Agrippina* and Puccini's *Manon Lescaut* on the way.

It is a confident programme and Payne is glad he switched jobs. While Covent Garden seems to be slowly approaching the sunlit heights it still carries a massive deficit and will be forced to present truncated seasons. In contrast at ENO Payne is ending a financial year

in which attendances have risen by over 11 per cent, to 86 per cent of capacity, and the books have balanced. Thanks to a £5m grant from the Arts Council's stabilisation scheme, the ENO also carries no deficit. No wonder he is freezing ticket prices for 1999-2000.

Of course some of the ENO's recent appeal to audiences is due to the closure of Covent Garden: it is the only show in town for opera lovers. Next season Payne must compete with a new 2,200 seat auditorium that everyone will want to visit. By a nice irony he has known all along what Covent Garden will be presenting in its new home: he devised the programme.

The ENO hit its box office targets for 1998-99 mainly because it recently brought back popular favourites like *La traviata* and *Barber of Seville*. Just under 40 per cent of performances have sold out. However the season failed to produce a bankable new production, although the latest debutante, *Parsifal*, steadily picked up bookings through good word of mouth.

Payne maintains a good relationship with Covent Garden. Indeed there are plans for the two opera houses to co-operate, most notably by presenting work created by ENO's opera studio in the new small theatre at Covent Garden.

The ENO must also feel that the Arts Council owes it something for providing London with opera while its near neighbour had, until recently, converted a £78m lottery grant into management turmoil and bad publicity.

The ENO long ago gave up ambitions to build a brand new 21st century opera house somewhere in London. It is stuck with the Coliseum, an exhausted 100 year old variety theatre, much loved by its audience. It will soon be asking the Arts Council for over £20m to carry out essential refurbishment, from new seats to better back stage facilities. If, as anticipated, the money comes through, the work will probably take place in

the summer of 2001.

If Payne is relaxed about the re-opening of Covent Garden, convinced by research that the two opera houses appeal to different audiences, there is one area where competition remains intense: raising the essential additional funding from companies and individuals to stay in business.

This gets ever more difficult. Ms Russell Willis Taylor, who looks after the nuts and bolts management of the ENO while Payne remains artistically supreme, thinks the future lies with support from opera-loving individuals rather than from the corporate sector. *Parsifal* became possible

because two opera-loving couples, Peter and Fiona Espenhahn and Doug and Monica Mitchell, put together a 17-strong syndicate that raised £70,000. Equally essential was the contribution from the opera houses in San Francisco and Chicago, which enabled *Parsifal*'s production cost of £390,000 to be split three ways. *Nixon in China* is being bankrolled by Bob Borzello and the Camden Trust. Half the £1.8m development income raised by ENO this season came from individuals.

For all the creative input, opera remains a financially parlous activity. One dud production can cost a company £200,000, and it takes an awful lot of revivals of *Madam Butterfly* to make up the shortfall. At the moment ENO is humming along, but opera management, like opera itself, is rarely short on drama for long.

Not all our preoccupations with things American are manifested so shoddily as the mildewed tosh of Radio 4's *Mister*. Next Friday Radio 4 airs the first of four plays about J. Edgar Hoover, a figure vaguely perceived as monstrously influential in the more machiavellian corridors of American power for half a century.

The good news is that the writer is Mike Walker. Though responsible for the excellent adaptation of *The Thin Red Line* – catch part 2 on Radio 4 this evening – Walker is something of a specialist in American themes. He has worked with Hoover's director, the American Ned Chaillet, on plays about presidents Johnson and

RADIO MARTIN HOYLE

The monster who grew out of American society

Nixon: he considers subsequent presidents less interesting ("though Clinton is doing his best"). Walker finds Hoover fascinating because "he was there in government from about 1920 to 1971. He knew everybody. He was director of the FBI for about 40 years." And, by implication, had something on everyone. Hoover's fixations cast a huge if shapeless shadow over American politics, starting with the post-Great War "red scare". "He was obsessed all his life by the

threat to the American way," says the author. "His other obsession was the FBI. It was his thing, his machine." A modern audience, of course, has its own obsessions with public figures: their private lives, for instance. "He's a monster," Walker admits. "A real one, not a comic book or horror film monster. He grew out of American society."

The four plays deal equally with private life and public face (such as it existed – "Hoover hid everything. He admitted to finding secrecy addictive. It's difficult to winkle out a human figure"). Some mythical sacred cows are humanely, if disappointingly, slaughtered. Though Hoover's

relationship with Clyde Tolson was "a virtual love affair" for 40 years, the rumours of cross-dressing are probably unfounded. "He was too damned careful. I

FBI supremo J. Edgar Hoover 'was very clever all his life. He comes out of it all as a terrible man – a very good hater: he never let go'

suspect he was never actively gay. There's a real possibility he never engaged in sexual behaviour for most of his life." A repressed obsessive, then, Radio is just the medium. Walker praises the form's "freedom", liberated from television's lookalike demands, where "you can visualise people more easily in your head" actor William Hootkins merely

darkens his voice as the decades pass. For the writer, radio provides infinitely more access to the production process, unlike film and television where

he tends to get lost amidst technical preoccupations. The Hoover plays have even eschewed the modish use of location (actual city streets, country houses, institutions – where the sound effects have the disconcerting knack of upstaging the humans). "We were studio-bound. In two of the plays we have almost the purest form of drama: two characters in conflict: nothing gets in the way." And, as in the best creative processes, the creator has learnt something

about his subject. "It was idiosyncratic but the FBI was never corrupt," says Walker, slightly surprisingly. "The CIA used gangsters but the FBI was

incredibly hidebound. Hoover was very clever all his life. He realised you have to have the strength of the state behind you. He sneaked permission to bug the Ku Klux Klan but used the same permission to bug

Martin Luther King whom he loathed. He comes out of it all as a terrible man – a very good hater: he never let go."

Other hates included Bobby Kennedy – indeed all those who indulged in sexual promiscuity. "He thought private morality affected public life." This may go back to his inadequate father whose nervous breakdown young Hoover bitterly resented. "He equated crime and communism with disease," is Walker's revealing verdict. Shades of eugenics and the many crackpot theories of Hoover's formative years.

A more complex figure emerges than the gung-ho state-serving – and state-blackmailing – autocrat of legend. Also typical of Hoover's time – and, chillingly, of ours – was the influence Walter Winchell had on the young bureaucrat. "They met in the 1930s, and the journalist emphasised the value of publicity. From which we derive the cult of PR, the public image, the sound bite, all reflected in the way we are governed now. Hoover is not to blame for it, though he harnessed the power of publicity as nobody had before him. Walker refines his definition of the monster. "Not an evil man," he concedes. "But very frightening."

J. Edgar Hoover – Red Scare goes out on Radio 4 next Friday.

NIGEL ASHCROFT



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ARTS

Verse spoken as you like it

Shakespearean verse-speaking has always been a controversial issue. Alastair Macaulay talks to the RSC's artistic director Adrian Noble

What do you think of the way in which today's actors speak Shakespeare's verse? Few people claim we live in a golden age of verse-speaking now: many people reckon that there was a golden age, two or more decades ago. In particular, it is a commonplace that verse-speaking is one of the most striking symptoms in which today's Royal Shakespeare Company is in decline, and that the RSC, in the first 20-odd years after its creation in 1961, helped to establish a golden age we all enjoyed.

Yet for whom was that age golden at the time? I turn to a 1971 review in these pages by B.A. Young of Peter Brook's celebrated RSC production of *A Midsummer Night's Dream* and find this: "The speech is full of those wrong accents and misplaced caesuras that used to be the Royal Shakespeare Company's hallmark". He singles out Alan Howard - who, ironically, has been widely revered these last three decades as a Shakespearean stylist - as "much the worst offender" as Theseus and Oberon. ("How he has the impertinence to mock at a man for making periods in the midst of sentences" I don't know, for he makes them in the midst of almost every line.)

So what do people find "good" about "good" verse-speaking? In 1952, Kenneth Tynan pointed out that what most people mean by "word-poetry" is merely the voice beautiful, and the voice resonant. A number of people had complained that Claire Bloom's Juliet failed because she found no music in the verse. Tynan leapt to her defence ("the finest Juliet I have ever seen"). "What Shakespeare demands is not verse-speaking but verse-acting. Edmund Kean, Irving, and Olivier, on whom our whole tradition of heroic acting rests, have one thing in common: they have all been repeatedly accused of lacking poetry. Miss Bloom sins in good company."

Voice apart, speaking Shakespeare's verse involves several key issues - all of them involving more controversy than you might suppose. Metre; punctuation; sense; audibility; rhyme; cae-

suras; line-endings; length of sentences; alliteration; legato; melody; architecture; the principle of antithesis.

What almost nobody has discussed is that, on precisely this matter of speaking Shakespeare's poetry, British theatre currently features a wide spectrum of both theory and practice. At one pole is Sir Peter Hall, founder-director of the RSC in 1961, but most of whose Shakespeare productions in the last 20 years have been staged elsewhere. At the other is Declan Donnellan, artistic director of Cheek by

The RSC has recently launched the most intensive work on speaking verse in its nearly 40-year history

Jowl. Donnellan's work has received wide praise here and abroad, and his name has been advanced by some critics as the next artistic director of the RSC. Yet Donnellan's treatment of verse is, consciously, far from the RSC tradition.

One of the two most vexed issues in Shakespearean verse-speaking today is line-endings. "O, it came o'er my ear like the sweet sound/That breathes upon a bank of violets/Stealing and giving odour." Do you give special weight or emphasis to "sound" and "violets"? And do you pause after them ("end-stopping", as this practice is called) or not? Donnellan refuses either to stress or pause the line-endings: for him the continuum of the sentence is all-important. Hall - who has observed that most great British actors have an idiosyncratic way of marking the end of verse lines (John Gielgud by "braying", Peggy Ashcroft by "ponging, hitting the final syllable hard", Edith Evans by "swooping") - has become our most pronounced encourager of stylish end-stopping.

The other vexed issue is scale. Many of the most successful Shakespeare productions of the 1990s - at the

RSC and elsewhere - have been in small auditoria. Projecting Shakespeare's verse into the National's Olivier Theatre (vs. the National's new *Troilus and Cressida*), the Barbican Theatre, or the Royal Shakespeare Theatre is no easy task in an era when most actors aim for success on TV or in film. Is there hope for large-scale Shakespeare?

At Stratford-upon-Avon and at the Barbican this summer, yes. In the company's new Stratford-upon-Avon season, the big Royal Shakespeare Theatre will be given over wholly to four successive Shakespeare productions (*A Midsummer Night's Dream*, *Othello*, *Antony and Cleopatra*, *Timon of Athens*), while the other two theatres are taken up entirely by non-Shakespeare repertory.

Crucial to this project is the fact that the RSC has recently launched the most intensive work on speaking Shakespeare's verse in its nearly 40-year history. I recently met the company's artistic director, Adrian Noble, to ask him about this. He has directed the company since 1991; actors who have appeared in his own Shakespeare productions for the company include the late Robert Stephens, Derek Jacobi, Kenneth Branagh, Juliet Stevenson, and Ralph Fiennes; and he has extensive knowledge of the RSC's tradition, of the pre-RSC authorities on Shakespearean style, and of the issues involved in performing Shakespeare's verse (all lightly worn).

What I hadn't anticipated was the boyish enthusiasm with which he launched into the subject and the range of cultural references (opera, modern music, painting, methods of speaking in Parliament, modernism, social change) he brought to it. Though his own new production will be of a non-Shakespeare verse play (*T.S. Eliot's The Family Reunion*), these Shakespeare workshops are very much his baby; or rather his development of the RSC tradition he has inherited.

The workshops, exclusively dedicated to Shakespearean verse (including the



Perceived as the golden age of verse-speaking: but was it? John Gielgud and Peggy Ashcroft in 'A Midsummer Night's Dream', 1945

sonnets), occur once weekly for three hours and a half. They involve the entire company preparing for the summer festival season at Stratford-upon-Avon (March 18-October 9), they are compulsory - and it's catastrophic to do all Shakespearean verse poetically - and it's catastrophic to do all Shakespearean verse prosaically. Here's an example: Sonnet 29, "When in disgrace with fortune and men's eyes". The language really is pretty straightforward for the first 10 lines; then suddenly it hits this amazing simile, "and then my state/ Like to the lark at break of day arising/ From sullen earth, sings hymns at heaven's gate". Now if you veneer over the first 10 lines with a false "musicality", you've got nowhere to soar with the simile. You have to paint the canvas fairly grey at first if you want to get full

fiery-footed steeds"; the next, it's a dialogue between Viola and Orsino.

Noble is loath to take extreme positions: "It is, I'd say, catastrophic to do all Shakespearean verse poetically - and it's catastrophic to do all Shakespearean verse prosaically. Here's an example: Sonnet 29, 'When in disgrace with fortune and men's eyes'. The language really is pretty straightforward for the first 10 lines; then suddenly it hits this amazing simile, 'and then my state/ Like to the lark at break of day arising/ From sullen earth, sings hymns at heaven's gate'. Now if you veneer over the first 10 lines with a false 'musicality', you've got nowhere to soar with the simile. You have to paint the canvas fairly grey at first if you want to get full

valve from that one splash of colour." He says that actors too provide telling insights: "An extraordinary thing happened when we did *A Winter's Tale*. Hermione is brought to trial, and her speech begins 'Since what I am to say must be but that/ Which contradicts my accusation, and/ The testimony on my part no other/ But what comes from myself.' Now, the way each line ends seems at first very weak; useless. You want to phrase it 'Since what I am to say must be but that which contradicts my accusation', and then 'and the testimony on my part...'

"But then Sam Bond, who was playing Hermione, and I looked at the character's situation, working like Stanislavskians. I've given birth

only 90 minutes before. Then the baby was taken a way from me! And I'm being put on trial! And my husband thinks I'm an adulteress! And it's in public! We put all this together. Sam said 'Since what I am to say must be but that' and then she just stopped - because she was trying to control all the things that were going on. Then she went on 'Which contradicts my accusation, and' - and again she just stopped. Then, gradually, the verse gets more regular and more confident. It worked, I thought, wonderfully, and it came purely from saying 'That's a funny line-ending'. It's a kind of phrasing that's worthy of Maria Callas. Genius phrasing. With Shakespeare, you come across these brilliant little points again and again

inner man and the outer world, between inner experience and outer problems. In the most famous speech in the world, Hamlet goes on to say 'Whether 'tis nobler in the mind to suffer/ The slings and arrows of outrageous fortune, / Or to take arms against a sea of troubles.' This is Shakespeare's great invention: he jostles together the inner and the outer. I call that political.

- if you treat the form of the play as your best friend.

"These matters all count for much, much more when you're giving these plays in big theatres: the pulse, the length of a line, the revelation of thought and character within the language. Though I agree that the zeitgeist of late has been in favour of chamber-scale Shakespeare, I think that that's shifting now. Whenever Richard Eyre and I used to meet to discuss policy, our common problem was always to find directors with the range of skills to handle the big stages. But this year, all our associate directors want to do that. They want to interrelate their work on language with scale.

"The quintessence of Shakespeare is very much the relationship between the

'I'd like there to be a stronger RSC style than there is as yet, which is why I'm bringing everybody together for these sessions'

And - the fundamental point - the tool that he uses, in almost every sentence he wrote, is apposition. Sometimes he uses it in antithesis. This isn't my discovery; like almost everything else I pass on, it's part of the tradition. But it's something I feel very strongly about. Ben Jonson didn't use apposition or antithesis this way, Christopher Marlowe didn't.

Noble says he is an admirer of Donnellan: "I have wanted him to work with the RSC for years. I think he has a great feeling for form: he's a marvellous sculptor of space as well as of language. But he won't share actors with other directors in the repertory system. That's why we haven't been able to fit him in until he had a separate tour with *School for Scandal* last autumn." Later, he suddenly remarks, "The RSC isn't the Alpha and Omega of Shakespearean style. Nor is it the ultimate villain."

The RSC season at Stratford opened yesterday with preview performances of *A Midsummer Night's Dream*

Very English, and very good

William Packer on the paintings of Mary Potter

At any time, there is sure to be an artist working quietly away who in due course will be recognised, quite independently of critical fashion, as an artist of true quality and real significance. In the end, the truth will out only after death, but quite as often it is more a question of an ambition vested not in the public career but in the work itself.

There is no showing-off, but rather a wonderfully subtle simplicity

Mary Potter was as substantial an artist her day as Gwen John was in hers, with something of the same quiet sensibility underpinned by a classical simplicity and technical authority. But there are differences, too. Potter showed regularly, notwithstanding the distractions of marriage, motherhood and divorce, and her work found its way into any number of discerning private and public collections. But while her first painting entered the Tate in 1940, by the time of her death in 1981, at the age of 81, there were still only three; it was only in her last few years that critical interest finally began to wake up to what she had been doing all these years.

Now, with every show, indeed with every thing we see of hers, the work gets stronger. It is, however, a

very "English" corpus - which is of course the problem. Modesty; self-deprecation; reserve - how can we blame the foreigner for his misunderstanding when we get the signals wrong ourselves? From the early still-lives, landscapes and townscapes, so delicately animated by human incident, to the restrained, beautifully judged near-abstracts of her later work, there is a sureness of touch and a pictorial authority that anywhere else - in Morandi, for example, late Vuillard, Robert Rynas - would always have been recognised, and then celebrated. We have thought of her only, and dismissively, as merely one of that generation of Richard Burich, William Coldstream, David Jones, Eric Ravilious, Caryl Weight and Victor Pasmore - interesting painters, but of course all so "English".

For all the differences in the work, she bears particular comparison with Victor Pasmore. She had been at the Slade in the early 1920s, but her early work owed much to Bloomsbury and much to the New English Art Club - Duncan Grant, Vanessa Bell and Winifred Nicholson. And in the 1930s, one begins to detect in her work much of the interest and sensibility that would be embraced by the short-lived Euston Road School - Coldstream, Gowing, Rogers and, of course, Pasmore himself.

Those much-vaunted paintings of his, of the Thames along Chiswick Reach made just after the war, are more than equalled



A magical economy of effort: 'Lily of the Valley by the River', 1938, by Mary Potter

by her comparable and contemporaneous images of the breezy, spray-swept front at Brighton, and her views of Regent's Park and in the Zoo. To see these Brighton paintings in Brighton, with pier, poles and railings achieved with wonderful economy of statement, all sea and light shimmering with an evocative sheen and witness from her characteristically desiccated paint, is wonderfully appropriate.

Her subsequent shift towards abstraction was to take rather longer than Pasmore's - indeed the rest of her life. It was also less self-conscious and theory-

driven but it was to prove no less effective in the result. The subject might be a pot or two upon a window-sill, some dried flowers, or a view down into the garden, perhaps with a smoking bonfire - for there was always a subject, a stimulus to begin. But there are more formal considerations, and with them come contradictions and tensions. And it is her restrained handling of these real tensions between the conflicting impulses that face the painter - to describe the image, to catch the moment, on the one hand, and yet to allow the painting itself its own natural development on the other - that marks her work with a real distinction, and herself as a true artist.

There is no showing-off, but rather a wonderfully subtle simplicity and a magical economy of effort. The paint lies dry on the surface, the line perfunctory, the colour dull, the tones close; but yet the honesty still catches the sunlight, the dead leaves crackle in the fire, and we smell the smoke. Very English, and very good.

Mary Potter - A Life of Painting: Brighton Museum & Art Gallery until March 28.

TELEVISION CHRISTOPHER DUNKLEY

Far right and far out

If the best arguments against fascism that can be mustered these days are those trotted out in *Journey To The Far Right*, we are in trouble. The programme, screened at 9.05 pm today, is the first in a brief BBC2 season called "Fear And Loathing" which, as a whole, is a welcome idea. Generally television is lazy when it comes to politics. Either politicians are put up to shout at one another against the stopwatches, or soulful reports are made by current affairs series to show that billions more should be spent on child benefit, school lavatory decoration, or whatever other bee the editor happens to have in his or her bonnet. What the programme never has to do is announce the tax increase that would be needed to satisfy the sum total of its maker's splendid compassion.

So it makes a change to have a batch of programmes dealing with the politics of the extreme right. Later this evening there is another screening of *La Haine* ("Hate"), the gritty, ghetto picture made in France in 1995 by Mathieu Kassovitz which looks at the rapid, dangerous lives of youths on a Parisian council estate. Wednesday brings *The Lost Race*, which considers what happened to the National Front in Britain after the 1979 election. And tomorrow there is an excellent documentary called *A Small Town In Poland*.

The quartet begins with *Journey To The Far Right* in which Nick Fraser spends nearly two hours picking arguments with people such as the British historian David Irving, the French National Front leader Jean-Marie Le Pen, and Austrian

politician Jörg Haider, and losing them all.

While the rest of us realise that extreme right wing attitudes have been around for as long as politics, Fraser seems flabbergasted to discover that they survived the second world war. During vox pops in a Toulon street market numerous stallholders tell him they couldn't care less about the town council being National Front. A seemingly

This subtle and complex work shows that there are as many shades of political attitude as there are individuals

astounded Fraser turns to the camera and says "I gotta ask myself, if I'd showed up in 1941 or 42 and asked what they felt about Marshal Pétain they'd have said 'I couldn't give a fuck. I'm French', and that's really what they feel I think". To which one can only say, "Precisely. But what did you think before? Haven't you seen *Le Chagrin Et La Pitié*? Didn't you bother to watch *Lacombe Lucien*? Did you really imagine all those Nazi collaborators in France were play acting?"

Underlying the programme seems to be a worrying assumption that people can be simply divided into delightful "democrats" and fiendish "fascists". It might have helped had he been able to watch *A Small Town In Poland* before making his programme because this subtle and complex piece of work keeps on show-

ing that there are as many shades of political attitude as there are individuals.

Marian Marzyński, a Polish Jew living in the US, goes to the small Polish country town of Bransk and meets Romanuk, a young gentile Pole who has done much to preserve the memory of the Jews. They were once 60 per cent of the town's population, but were effectively exterminated during the war. Romanuk has now dug out the Jewish gravestones which had been used as pavement supports and returned them to the Jewish cemetery. He visits the US to talk to the few Jewish survivors from Bransk and record details of their culture.

In Poland, among a village population which still harbours much anti-Semitism, Romanuk is regarded with suspicion and doesn't even mention the role of the Jews when he organises Bransk's 500th anniversary celebrations. Yet when he goes to Israel with Marzyński, he is treated with hostility by young Jewish students who accuse him of attempting to save Polish conscience. The more Marzyński shows us, the clearer it becomes that although the Jews were treated appallingly by the Poles, others risked their own lives to hide and protect Jewish families.

Had we all been Polish farmers in 1941 when the Nazis looked like the winning side, we ought all to have had the courage to hide our Jewish neighbours in our barns, even though told that this was punishable by death. *A Small Town In Poland* makes you wonder how many of us can be sure we would have had that courage.

OFF-CENTRE

Wanted: heirs to a fabulous fortune

Genealogists have competed to track down relatives of Dora Maar, Picasso's lover, muse and hoarder of his mementoes. Robert Graham reports

Wedge between boutiques in one of the most fashionable streets on the left bank of Paris is the portal of a grand 18th century town house.

This *hotel particulier*, which has been in the Andrieu family for four generations, holds the secrets of one of the most arcane professions in France. The Andrieus are genealogists. They make their living by finding the relatives of the dead.

The business has a Dickensian feel - lawyers looking for lost heirs in cases stretching over generations. Indeed, the Andrieus' three-storey property contains more files than most public record offices in France.

Jean-Marie Andrieu, head of the company, takes great pride in showing visitors these remarkable archives. The oldest occupy thousands of drawers in hand-made wooden cabinets which stretch from floor to ceiling in room after room of the 3m-high ground floor.

In the mid-19th century the business began copying, for its own convenience, the civil registry files of Paris and the surrounding region. It now possesses a complete set of these files from 1792, when the registry was started, until 1922 (thereafter all births had to contain the place and date of the parents' birth). They are written in a fine copperplate hand.

"The Paris registry files were burned in the commune riots of 1871, so this is a unique record of the births, deaths and marriages of several generations," says Andrieu.

The rooms are kept cold to preserve the paper. There are more than 200m individual files on slim leaves of paper, all unbound and kept in loosely tied bundles. "Our experts can flip through them fast, like counting banknotes," says Andrieu.

In 1994 Jean-Marie and his brother Francis wrote a book, *Recherche Héritiers* (Searching for Heirs), but their activities went little noticed by the general public until a spectacular genealogical chase came to light last year.

The hunt was to find heirs to the fabulous estate of Dora Maar, the photographer and painter who was Picasso's lover and muse for seven formative years of the great artist's career. Maar's affair with Picasso lasted from 1936-43, covering the crucial period of the Spanish Civil War and the worst of the German wartime occupation of France.

When Picasso left her, she continued taking photographs and painting for a while, but then became a religious recluse, and died in near-obscure obscurity in 1987. She had made a will in 1958, but by the time of her death there was no surviving named beneficiary.

Because her latter years had been so reclusive, no one imagined she had kept so many works and mementoes of Picasso - from drawings on matchboxes and impromptu illustrations of books,



to doodles with fragments of torn paper and ornamental jewellery made specially for her. These had acquired immense value because of their intensely personal nature, and because Maar's relationship with Picasso was crucial to his creative output at the time.

Shortly after her death, Maar's lawyers turned to Andrieu. Three weeks later the hunt was joined by a smaller business, Aubron-Delcros-Delabre, formed in 1990. "We think there were at least two other firms looking," says Antoine Delabre, one of the partners.

French inheritance laws are complex and comprehensive, permitting far more claims by distant relatives, and over longer periods, than in other parts of Europe. Under a law of 1916, a French cousin six times removed can lay claim to an estate. Only if this remote link fails to be found does all claim end after 75 years.

French law also stipulates that when the nearest surviving heir is traced, more distant relatives lose their claim. Providing heirs can be found, the inheritance is divided between those on the maternal and paternal side.

Maar was an only child whose French mother, Louise, née Voisin, had died in 1942. Her maternal heirs were easy to trace through civil registry documents. The lucky relative was a cousin six times removed: an 83-year-old woman living in western France who had no idea of Maar's fortune.

On the father's side, it was

immensely more complicated. Both his first name, Joseph, and family name, Markovitch, were very common in his native Croatia. Furthermore, he had worked as an architect outside Croatia briefly in France but mostly in Argentina. The search involved checking his past in Argentina and combing parish documents in the newly independent states of Croatia and Serbia after the disruptions of two world wars and the break-up of communist Yugoslavia.

After five months' detective

work, Andrieu ran to ground a cousin six times removed who lived in Serbia. But even then his company's rivals refused to give up. "It was a terrible blow when we were told about this find by Andrieu," Delabre recalls, "and there was only an outside chance we could find a closer relative."

Delabre's company was examining the line of Maar's paternal grandmother - who, they had discovered, came from a family of six brothers and sisters, orphaned at an early age. After a number of false starts, one of

these sisters was found to have surviving issue - a 93-year-old woman living in a poor village about 150km from Zagreb. Just before Christmas 1997, Aubron-Delcros-Delabre was able to register its heir and so win the right to half of the residue of the Maar estate.

In a sensational Paris auction last autumn, the most valuable items in Maar's estate topped FF¥300m (£30.8m). Other personal effects from her studio will be sold this year. Both genealogy companies are coy about their

cut on this find.

Successorial genealogists operate on a percentage of the estate that increases in relation to the distance the heirs are from the dead person. By the time it gets to a cousin six times removed, the percentage is normally fixed at 30 per cent. Whatever the actual amount was in this case, at least one set of Maar's heirs is reportedly unhappy about having signed away such a large slice of the estate and is seeking legal redress.

"This percentage is only taken after all death duties, debts and legal fees regarding the estate have been paid off. We are the last to get paid and must cover all the costs of the search ourselves at our own risk," says Delabre. "In the case of Maar, it is worth remembering the French state will be first, taking 60 per cent."

The riches of Maar's estate belie the more modest earnings from most inheritance cases. According to Andrieu, the average inheritance handled is little over FF¥300,000. Nevertheless, there is enough business for Andrieu to employ 75 people, of whom 25 are in Paris, and the remainder in 15 provincial offices.

"We handle about 2,500 cases a year and account for about a third of the genealogical business," says Andrieu, who declines to reveal turnover. The younger and more aggressive Aubron-Delcros-Delabre processes about 1,000 cases a year

and says annual turnover is FF¥20m.

There are about 25 successorial genealogy companies in France. The profession grew haphazardly in the wake of the French Revolution with the need to check inheritance claims, especially those involving provincial heirs. It prospered, aided by the nation's reluctance to leave wills and its laws which encourage the search for heirs.

Of the 450,000 people who die each year in France, at least 8,000 are intestate. In theory, anyone can search for their heirs. Amateur genealogists can follow the trail of the national census, established in 1801 by Napoleon, and thereafter continued every five years with only three interruptions (the Paris commune, the first and second world wars). However, the civil registries in France - the key instrument for proof of descent - are not open to the public.

The advent of information technology would appear to threaten the genealogical companies, as data becomes more accurate and available. France is also an increasingly stable society with the disruptions of two world wars receding; the genealogists are now dealing with the deaths of the generation born before the first world war.

But the nature of the business is changing. Delabre estimates that 30-40 per cent of business is now taken up with finding direct line heirs. This is confirmed by Andrieu: "Twenty five years ago there were scarcely any cases of simply looking for children of dead parents; but now families are breaking up, people don't know their cousins and 20 per cent of our work involves finding children."

Even when a will has been made, lawyers are turning to the genealogists to check whether all the immediate family is accounted for, especially in cases where several marriages have occurred. "In one in three cases we find another member of the family is also entitled to inherit," says Delabre.

Another expanding area is searches undertaken on behalf of companies to locate heirs to share certificates. The recent focus on the question of Jewish property under the Nazi occupation of France has also begun to offer a complex ground of activity. "We are handling about 60 Jewish dossiers. Some relate to people who came forward after seeing the list of account names published last year by the Swiss banks," says Delabre.

He believes the collapse of communism has opened up the prospect of claims from immigrants who came to France and who could have title to inheritances in eastern Europe. His vision of the genealogists' future is bullish: "We've been growing, on average, 30 per cent a year and I reckon we can do 10 per cent more if we are prepared to move outside France."

DISPATCHES

It's my party and I'll sing if I want to

Mark Wallace, at Manhattan's first Karaoke Grammy Awards, sees the Lifetime Achievement statuette won by the evening's hostess

Though Rudolph Giuliani, New York's mayor, may have driven the National Academy of Recording Arts and Science's Grammy Awards ceremony back to Los Angeles, Manhattan can now boast a night with almost as much cachet, if not one with the same power to make or break careers.

The first annual Karaoke Grammy Awards, held earlier this month, probably didn't fuel any album sales. But the live performances by Manhattan's downtown crowd easily rivalled even Madonna's lip-synching efforts at the Los Angeles event.

Until recently, New York's nightclub scene was content to dress up and dance, to see and be seen. The karaoke microphone was left to college students on drunken junkies to New Orleans and Japanese businessmen enjoying the overseas expense accounts of the 1990s.

But in recent months karaoke has been embraced by the hip and off-hungover, and Wednesday nights at The Elbow Room on Bleecker Street, the main artery of Greenwich Village, has nightclubs strutting their stuff onstage alongside celebrities such as actress Claire Danes, restaurateur Nell Campbell, heavy metal David Lee Roth and R.E.M.'s Michael Stipe.

Others such as model Bijou Phillips, MTV news-jock Serena Altschul and former *Seinfeld* girlfriend Shoshanna Lonstein occa-

sionally drop in for a peek, though not for a performance. "It's not a party for celebrities, it's just fun when they show up," says hostess Audrey Bernstein, a thirtysomething East Village resident who established the evening last year.

The offshoot of another weekly nightclub party hosted by Bernstein since mid-1997, karaoke nights have added an unusually unassuming element to the repertoire of New York nightlife. "It's impossible to talk shop or network in there," Bernstein says. "The Elbow Room is nothing fancy, so you get over the fear and get to challenge yourself. It's pure fun and funniness."

A woman of diverse talents, Bernstein toured the world as a snowboard champion and worked with underground film-maker Lydia Lunch before finding her way into the world of nightclubs. "I'm not a promoter," she protests. "I'm a creator. I don't promote other people's parties. I create my own party and I promote that. I just have a real infectious way about me."

Judging from the capacity crowd on Wednesday nights, Bernstein has had no trouble promoting her latest venture. The handful of tables near the club's stage are filled before the show begins at 11pm with dozens of guests hand-picked by the hostess. More crowd in behind, and the singers have to squeeze

through the ranks at the bar on their way to a rendition of *Musang Sally* or *If I Had a Hammer*. With a song-list of nearly 3,000 numbers to choose from, ranging from Abba's *Dancing Queen* to The Zombies' *Time of the Season*, the night has no real unifying thread other than the desire to take the stage and do your best (or worst). Even such presumably un-singable numbers as Led Zep-

pelin's *Stairway to Heaven* and anese restaurants. The Elbow Room's raised stage, in contrast, looks out on a cavernously high-ceilinged club packed with fans hungry for entertainment.

Mourning that stage and seeing all eyes turn your way can be a chilling moment, giving rise to much fiddling with hair and microphone cords. Not all the performers possess the composure to pull it off. Fortunately, they have a bit of help. Karaoke

permitted to be silly."

Karaoke has caught on, according to Steinberg, because New York's nightlife lacks any kind of "interactive behaviour" besides dancing. "It's an active evening where you're not just standing around holding up the walls."

"Karaoke gives people an opportunity to live out their rock star or lounge fantasies."

And whether singing karaoke standards such as Neil Dia-

mond's *Sweet Caroline* or crooner faves like *That's Life*, most performers tackled their material as if immersed in celebrity culture.

And, says Steinberg, it's not just the amateurs who can use a helping hand. "When famous people come to sing, it's not like the crowd came there to see them," he says. "So sometimes I have to help them out, too."

Lesser karaoke venues such as Little Korea on 18th Street, Winnie's in Chinatown and Village Karaoke on Cooper Square were flooded in the week before Grammy night by hopefuls intent on honing their acts in preparation for the big show.

There is much more than karaoke to be seen on The Elbow Room's stage. Whether it's Sing-along Steinberg astride a toddler's plastic tricycle, Rufus Wainwright in a duet of *Dream, Dream* with his sister Martha, or five girls belting their way through *Fame* as they leap around the stage, the evening includes fully-fledged, if impromptu, song-and-dance

numbers, not simply songs.

In the end, the awards ceremony ran more or less as expected, with most statuette (in the form of a gold-painted plaster Jesus) going to a small group of karaoke regulars and "industry" insiders.

Craig Wedren of Shudder to Think took home the Grammy for Best Male Vocalist, while Best Outfit in a Karaoke Performance was won by Frankie Inglesse, a Manhattan nightclub DJ.

Your correspondent's own rendition of The Isley Brothers' *It's Your Thing* - a crowd-pleasing if not critically acclaimed performance - did not even garner a nomination.

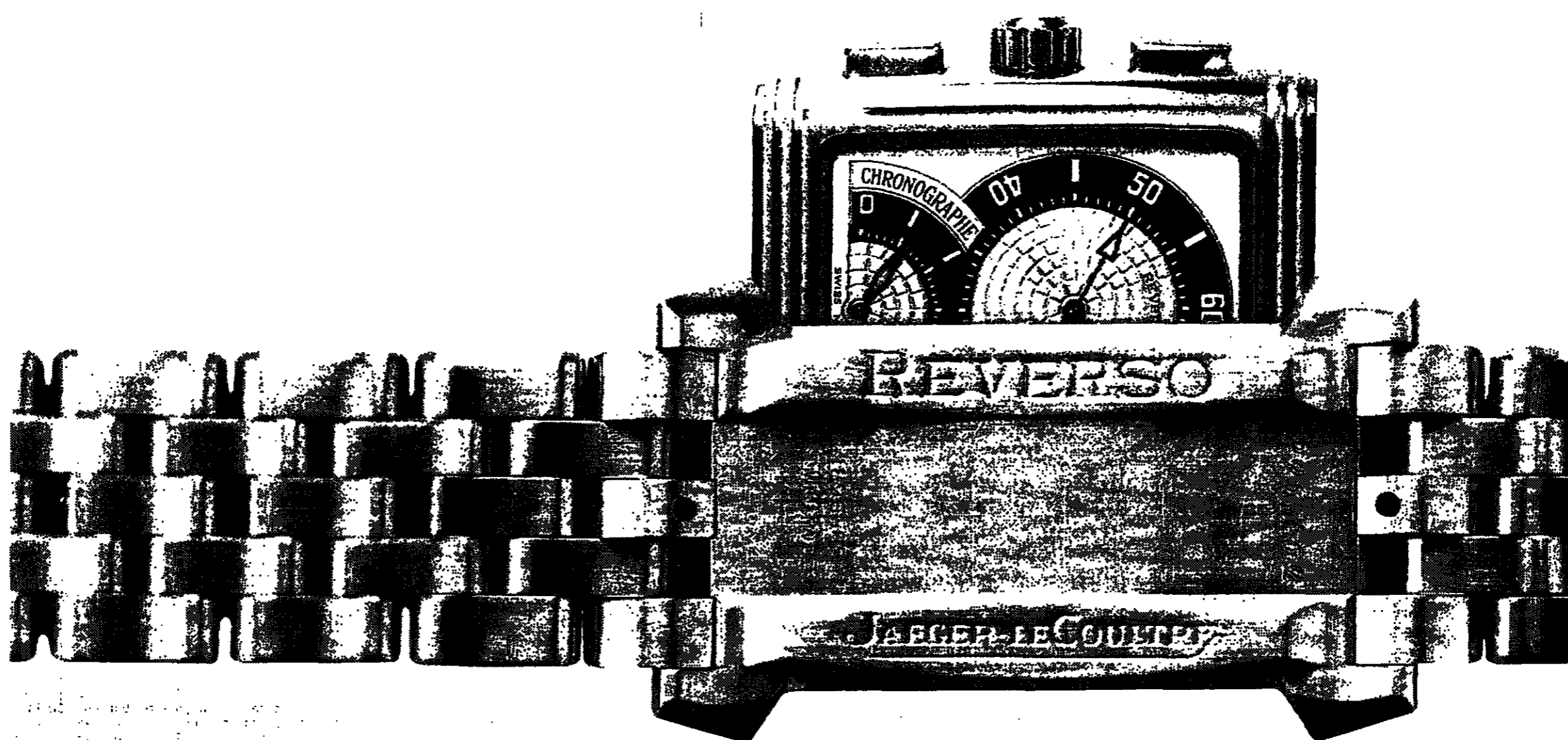
The Lifetime Karaoke Achievement Award, not surprisingly, went to the evening's hostess, and more prizes may be on the way for Bernstein's show.

Music video channel VH-1 is close to picking up karaoke nights, complete with Bernstein and Steinberg as hostess and master of ceremonies, for its coming season. In the meantime, Bernstein contents herself with scaring up new talent, promoting her other weekly party (Mothra, a more traditional downtown gathering), and singing with her "country-New Orleans-indie rock" band, Douce Gilette.

New York's downtown crowd will have to content itself with Wednesday nights at The Elbow Room, until next year's Grammys roll around.

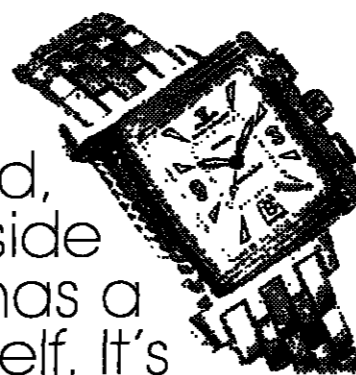
OFF-CENTRE

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there's always
something behind it



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It's more than wistful thinking

Holly Finn is surprised that she is sold on 'down-home' American products found on both sides of the Atlantic

I wanted to dislike the man. I was ready for him to prove true what I'd read, that he is a profiteer from nostalgia who sells "repentance" to cash-rich, spirit-poor yuppies. At his New York City store, Jumbo Jerry four-sack towels - which, a sign tells you, are "an American staple from a thrifty era, when sometimes making do meant making sense" - cost \$10 for four. I mean, this pigeon was in the hole.

But when I actually met Stephen Gordon, founder and CEO of Restoration Hardware, one of America's most remarkable retail phenomena, with 65 stores nationwide and a growing fan club of customers who want homewares that are more warm than cool, I was disappointed. I liked him.

And liking the man is pretty much the same as liking his enterprise. He calls Restoration Hardware a "point of view" store and stocks the shelves with things he values - from Not Tonight Deer! deer repellent (\$11.95) to Tiburon teak steamer chairs (\$360) to "the original 1955 Duncan yo-yo" (\$14.75). He admits that, in pushing the philosophy of one man - down-home though it may be -

Restoration "is not a democratic institution". But it is inspired, even challenging.

Gordon expresses his point of view by selling it; in turn, we express ours by reacting to him, by staying or going, buying or not. Gordon aims "to create an experience that's an absolute delight for our customers, and our shareholders", but it is we who decide whether to delight, or to doubt.

Restoration's goods are temptingly exclusive - in the way a four-leaf clover is

Walk into his new 17,000 sq ft shop at 22nd and Broadway in New York, and you're likely to hear Carly Simon on the sound system. "Stay right here," she sings, "because these are the good old days." Cynics may scoff, but Restoration customers do stay, for an average of 30 minutes said one report, well above the norm for other shops. The crustiest New Yorkers spy Atomic Robot Man (\$15), and

cannot resist him. They discover Mr. Mole's sticky wax candle adhesive (\$2.50) and are charmed by the sign in front of it (one of the thousands Gordon writes himself) which reads: "A dorky name for a very intelligent product. Add sticky wax to the bottom of your tapered and, voila, no more leaning, dripping, candlelight ineptitude."

Gordon is baffled by the more "suspicious" types who suggest that his approach is cynical, that he is capitalising on the divide between heartstrings and charge cards. "Not only are you doing it," he says, "but you're doing it so craftily that you're coming off as genuine."

From Eureka, California, north of San Francisco, where things are mellow, Gordon is beyond the ken of don't-mess-with-me eastern-style cynics. Those who have watched corner shops down in a sea of cappuccino-pushing coffee chains, and the best small book-stores go under in the wake of supermarket-sized emporia, are hardened. They look at Gordon's cv, see a psychology degree, and conclude that he's some sort of scheme, subliminal marketer.

Gordon's explanation of what drove him to start the company 10 years ago is slightly simpler. "I couldn't find goods and I was running out of money," he says. "I figured that if I sell you a chandelier, I can buy one. It was as inauspicious as that."

The son of a shoe salesman who never hit it big, or even medium, Gordon is married with three daughters ("I even have female dogs," he says). So far, he has managed to expand the company (he thinks a couple of hundred Restoration Hardwares in the US would be viable, more might be "vomitos"), while maintaining that corner-store feel with old-style, all-American products and all-American friendly service.

For instance, since many purchasing decisions are made jointly, the shops offer a Polaroid photograph service. If you fall in love with the deep-back Buster Chair, covered in soft Italian leather, but aren't sure your other half will feel the same about its \$1,880 price tag, you can take home a picture to bolster your argument.

Restoration's CEO doesn't feign ignorance of sales techniques, or of the importance of marketing and presentation. They fascinate him. Recently, walking down Madison Avenue after a day's shopping, he suddenly became aware that "no one looked at me. Everybody looked at my bags, and everybody looked at everybody else's bags."

The mass insecurity that makes us ogre and judge each other's labels is both good and bad for Restoration. Homewares, particularly furniture (which accounts for the greatest percentage of Restoration's sales), are weighty purchases, says Gordon.

"It's not the same as fashion. You can delude yourself by hanging a dress up in the closet for a while. You don't have to face it. But if you buy a lamp, it's right there," a seemingly irrevocable statement about your taste.

Restoration surmounts purchasing fear by offering goods that are temptingly exclusive, not in the way an outrageously expensive handbag

is, but in the way a four-leaf clover is - hard to find. Where else (except perhaps your grandmother's pantry) would you come across classic custard yellow-handled Tala Baking Utensils (\$4.95), or Tucker's Burn Guard oven mitt which is impervious to steam and heat-resistant up to 450°C (\$14.99), or a bottle of Fox's U-Bet chocolate syrup?

Actually, there's one other place you can get Fox's U-Bet, and it's in London: Jerry's Home Store.

Jeremy Sacher, who opened his first shop in 1993, is the smaller scale, English answer to Stephen Gordon. He, too, calls his a "point of view" shop, only rather than looking back for inspiration to America in its plummiest days, he looks to contemporary America.

The walls of his shop are painted the same colour as those in Restoration - very New England, "silver sage" blue-green, only Sacher calls it aqua, and adds that his products "very much reflect the colour and concrete of New York rather than this duck-eggy blue".

Sacher has always had an affection for the US. He started Jerry's when, having worked for Marks and Spencer, he "got fed up with rosebuds and diaries of Edwardian ladies". He had travelled to the US and knew what appealed to him: drier tables, chairs and china (the imports there from a company in the mid-west), mission-style, Vermont-made furniture ("very much informed by the American arts and crafts movement"), the Evans Collator (a 1930s-designed extendable aluminium

organising rack, the sort once used by stenographers).

Many of Jerry's customers are expatriate Americans who willingly pay \$4.95 for a pack of Oreo cookies or \$3.50 for Silver Palate salad dressing (these are staples, after all, British natives who have spent time in the US also seem to understand Jerry's optimistic angle. Planning to dine al fresco this summer, they've been scooping up his square tableware, called "Luce" (\$9.95-\$30).

Though many products sell as well in the UK as they would in the US, some things are lost in translation. Says Sacher: "All the paraphernalia for the holidays" on which Americans will happily spend hundreds of dollars, do not fly to the UK. The British don't seem to

believe in seasonal obsolescence. And they will not pay a significant mark-up for a water-bottle (as Americans do for Restoration's ribbed green version, \$12) - unless it's an amusing novelty item, stamped with a picture of the Empire State Building or a neon sign reading Paradise Motel (\$17.95 at Jerry's).

Despite differences between that retail environment and this, one thing is universal: instead of loving the one we're with, most of us would rather have precisely what we miss. What Gordon has done for years and continues to do, and Jeremy Sacher is doing now, is find for customers the things that make their heart sing.

In America, people crave U-Bet chocolate syrup because it's what

With Sputnik-era spunk Atomic Robot Man (\$15) winds up customers. Kirk's soap has them in a lather. They buy the Record Album Frame because old songs say so much. Behind it all: Stephen Gordon, founder of Restoration Hardware

they miss from childhood. In England, it's what they miss from America. "Furnishing your home or eating isn't a life-threatening occupation," says Sacher, but it can make a tasty difference.

"Look at communities. The new buildings are not churches, not schools, they're retail," says Restoration's Gordon. "We feel it's our obligation to consume. It's scarier to consider not doing so. The economy depends on it."

Sometimes, rightly or wrongly, our happiness does, too. Gordon and Sacher provide soothing rather than scarifying shopping places, offering products chosen to make you grin and chuckle rather than test your acquisitive acumen. Gordon, for instance, spends much of his time and effort selecting worthwhile items for Restoration Hardware. If he didn't, he says: "It might as well be called Bedlam Merchandise."

Cool as craziness is in some parts, both Restoration and Jerry's are shops designed not to drive you mad, but simply to make basic needs less boring. Their shopping bags may not get gazed at on Madison or Bond Streets, but then it's not what's on the bag but what's in it that matters.

Restoration Hardware, 935 Broadway, New York, NY 10126 260 9479; Beverly Center, Los Angeles, CA 90048 965; The Falls, Miami FL 305-969 0100; Inquiries: 800-762 1005 www.RestorationHardware.com

Jerry's Home Store, 163 Fulham Road, London, SW3, tel: 0171-581 0909; The Village, Bluewater tel: 01322-427016.

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Fab fabrics, that's devoré

Some days, flesh isn't enough. Like when you're tired of dressing yourself, and would enjoy dressing something else much more - like your house.

London Design Week is the ideal time to take a look around and see what might suit your humble, or not quite-so, home. It starts tomorrow, and on March 24 all are welcome at the Chelsea Harbour Design Centre (and nearby showrooms), where the latest collections of fabric, furniture and decorative accessories will be on display.

For 364 days of the year, the centre is strictly for professional interior designers. So it's worth scheduling Wednesday in, if you want to get up close and personal with entire, and entirely new, ranges. You can also buy on the day. Cull the herd of 90 showrooms before you set out, for there are a few that shouldn't be missed.

Zimmer+Rohde designs fabric that exemplifies the trend, now, towards furnishings that seem related less to domesticity and the family cat than to the catwalk. So delicate and gauzy are many of their swatches that you will be

tempted to call your dress-maker. A new line called Seta features double-layered organzas in gold and silver, less hung in your house than worn by it.

A new line of Jane Churchill fabrics centred around Pamela weaves also reflects the influence of fashion on furnishings. These fabrics are harder than organza, suitable for both soft furnishing and upholstery, but still pretty - without being precious.

Ottavio is a pattern that, from afar, looks like a traditional, smart check. Up close, the finely woven chenille pops out in 3D. Sitting on this is like sitting on a favourite sweater, only it doesn't get scrunched.

Announcing the arrival of devoré as a furnishing fabric, Osborne & Little this week unveils Fontaine. Inspired by screen idols such as Swanson and Dietrich, these materials have definitely got the women's ability to work a room. In shimmering emerald, sapphire, ruby, pewter and gold velvets - with sheer Art Deco patterns "devoré" (cut into the fabric - they are shockingly glamorous and feel like something new evening wear for the home. At Bruno Triplett's high-

style but small showroom, you cannot miss the fashion influence. There are earth-toned fabrics crumpled a la Issey Miyake (and meant to be hung horizontally), 100 per cent mohair felts in colours such as burnt orange, soft ink, black linens and silvery silk voiles.

Like the best fashion designers, Triplett is always experimenting. He offers polyester taffeta in 30 colours as an alternative to the more costly and less resilient real silk. He even presents sculptural swathes of parachute silk run through with bamboo-like sticks. For huge loft windows, these are the ideal dressing.

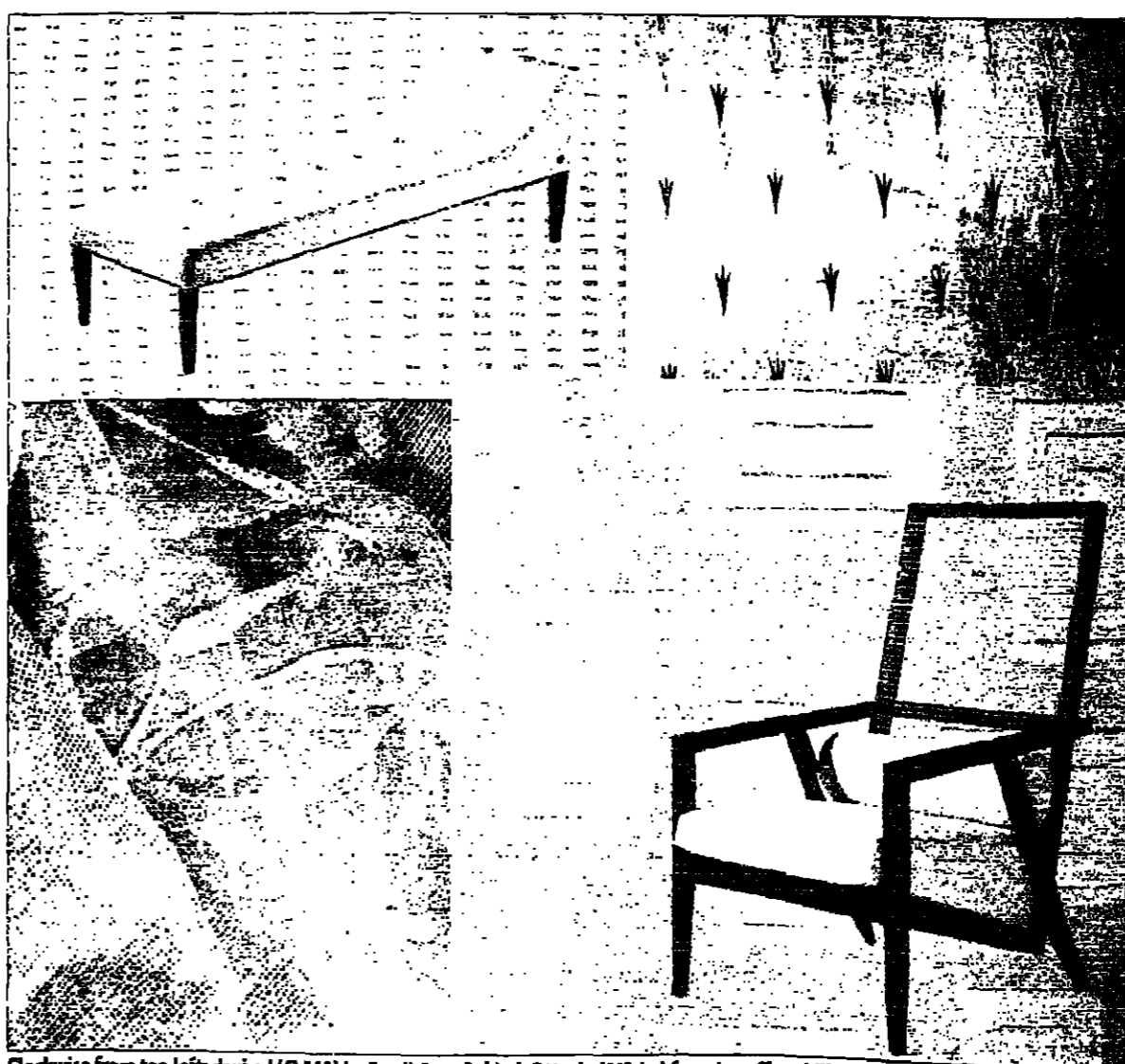
There are other experimenters, such as Ulf Moritz at Sahco Hesslein. His designs, useful for injecting a little testosterone into a room, include masculine grey flannel - plain, or with black stitching, even with holes punched out. They can make a chair look as bespoke as a suit. More feminine, and more Californian, is the Opposites Attract collection by Sally Sirkin Lewis, at J. Robert Scott. Her Floating Petals pattern has all the iridescent shimmer

of an Oscar nominee.

Design Week is not solely focused on fabrics, of course. There are plenty of floor coverings, tassels and table lamps to keep your interest lit. Interdesign, for instance, is the exclusive dealer of Pierantonio Bonacina's Italian furniture designs, including the new Astoria line. It features chairs and sofas with strings of natural leather drawn taut across the back - instruments for sitting that have more give than any wood and metal string thing.

You may not be able to do it for a song, but dressing your house can be a lot more fun than dressing yourself. And it's a snap now that furnishings are in fashion. Even more, fashion is in furnishing.

Chelsea Harbour Design Centre, London SW10. Information: 0171-351 4433. Open to the public March 24, 10am-6pm. Interdesign (0171-376 5272); J. Robert Scott (0171-376 4705); Jane Churchill (0171-351 0665); Osborne & Little (304 King's Road, London SW3, 0171-352 1456); Sahco Hesslein (0171-352 6168); Bruno Triplett (0171-795 0355); Zimmer-Rohde (0171-351 7115).



Clockwise from top left: daybed (£1,560) by Fendi Casa. Behind: Ottavio (£45/m) from Jane Churchill. Swanson from Osborne & Little (£95/m). Chair (£1,094) at Interdesign. Behind: rug (£3,255) by Christine Van Der Hurd. Seta from Zimmer+Rohde (£46/m-£70/m)

Cherry 150



What will the best dressed be wearing to pop year 2000 corks? Clockwise from left: transform into the next century with Junya Watanabe's suits. Comme des Garçons has foldaway chic with embroidered organza wraparound squares. A steady hand and easy touch with Galliano's impeccable tailoring. Check out the matchless ensembles from Watanabe's entrance-making show. It's all in the bag - oversized bright red duffel bag accompanied bold prints by Marc Jacobs at Louis Vuitton

Photographs: Chris Moore, Montage, Michaela Maga

Final countdown: it's all about the eve

It's the most important question of the fashion year - what is there to wear for the eve of the new millennium? Vanessa Friedman reports from the Paris ready-to-wear shows

Forget fashion speak. What is your most pressing question about the Paris autumn-winter shows? Probably not what "directions" they went in (touchy-feely and techno), or what "fabrics" were used (fur, feathers, tweed), or what colour is the new black (black is always the new black, although there was a lot of red), but rather the much more imperative: what is there to wear for New Year's eve 1999?

The answer is lots, from futuristic at Givenchy to transformative elegance at Junya Watanabe, earthly luxury at Hermès, and "We Are the World" chic at Gaultier - as many different styles of clothes as there are of celebration, whether the plan is to stay in, stay aloft, or stay out all night.

Consider the first option, the choice of Michael and Shakira Caine, and then consider Hermès' signature cornucopia of casual, voluptuous luxury: drawstring pants in baby alpaca, long T-shirt dresses in cashmere, and pleated trousers or skirts, all in Zen-like shades of grey and brown, and swaddling soft.

Designer Martin Margiela has been playing with alternatives to the traditional structured jacket for the last few seasons, and this time created sheepskin stoles that hugged the shoulders, descending into coat-like lapels complete with hand-warming pockets, and double-layer cashmere coats and jackets (good for temperature control; if it gets hot, just shed a layer).

Staying in also inevitably means running out for last-minute supplies of Moët and Beluga, and in his proprietary line Margiela provided the casual coat of the week, the "duvet". Made by a duvet factory, with zip-on arms,

it was the definition of comfort chic, with the top two corners falling forward to form elegant lapels. What's more, like a duvet, it comes with different covers: grey serge, floral sheet and rain-proof plastic. Who wouldn't love to go out in their bedclothes?

For those planning to escape the city snog for the country's starry, starry night, the way to rough-it is in Ann Demeulemeester's unfinished Mongolian lamb or sheepskin coats, wrapped around the body and resembling the work of a fashion-conscious caveman. They go as well with a hillside as her artfully wrapped dresses go with a fire and a mug of mulled wine to toast midnight, although if the country means a manor house, Jean-Paul Gaultier came through with chunky beaded and befringed Peruvian knit sweaters and finely woven twin-sets that telegraphed organic art.

On the other hand, those who like their lettuce pre-packaged and their life gravity-defying may, like Rupert Everett, say Y2K be damned and decide to fly - even better, to chase daybreak - on Concorde. For the jet set, the natural place to look for a suitable wardrobe would be the home of the original jet-set designer, Yves St Laurent, and in his first collection for the house, Albar Elbaz went trawling through the archives of the 1960s and 1970s and came up with elegant (if not sound barrier-shattering) versions of YSL classics: long-sleeved T-shirt or the most outrageously luxurious sweater of the season, a knit turtleneck, courtesy of Narciso Rodriguez at Loewe.

Either way, the luggage to carry taxed down Louis Vuitton's runway: oversized duffels and totes in bright red or purple LV-embossed patent leather.

Theyskens' black pantsuits with vents made body-conscious by hook-and-eye fastenings, and louche black cardigan dresses. Likewise, Nicholas Ghesquière at Balenciaga produced slim-cut pants, skin-tight leather tops under geometric wool vests, and soignée silk evening gowns delicately pleated over a hip or breast, as neat and architectural as the nose of a supersonic jet.

The glamour of the private Lear was on view at Celine, where Michael Kors finally outgrew his American roots and went St Moritz in its heyday: grab a cherry zip-up ski sweater,

Marc Jacobs, after his muted start, has finally got the language of border crossings perfected and indeed, these are accessories which should sell the clothes - felted long skirts topped by close-cropped jackets over go-anywhere turtlenecks and graceful knit slipdresses with a wave of dorsal fin - instead of the other way around. No self-respecting international nomad would leave home without them, whatever the destination.

Which might be a celeb-spangled, pina coloda-fuelled bash in some sultry tropical paradise. Such a party demands colour and

If the invitation reads black tie, Yohji Yamamoto's romantic jewel-toned, velvet bathrobe coat/dresses, worn over either chunky turtleneck sweaters or floor-sweeping skirt and corset, have the elegance of a string quartet, while Rei Kawakubo for Comme des Garçons played a Philip Glass/Yo-Yo Ma duet in a series of brightly tinted magenta and pink or silver and dove grey skirts and jackets made from simple squares of embroidered organza which wrapped around the body to form graceful, easy-to-wear folds.

Waltzing to a slightly different

quard, included a handbag or a stole - except they weren't handbags or stoles, they were jackets: intricately pieced and zipped tops which unfolded to curve sensuously around the body.

Nevertheless, for show-stopping dresses, there is no one like John Galiano, who this season managed to still his sometimes heavy hand (the one that recently threatened to turn him into a parody) and produce a restrained set of zebra-striped chiffons and shimmering scarlet Aphrodite gowns. It's not cutting-edge or fashion-forward, but it's damn good, and it stood out in a week that was surprisingly short on gala-wear.

The only alternatives came from Valentino and Chanel, who offered, respectively, smoky chiffon kaftan blouses with billowing sleeves tapering into floor-sweeping pleated skirts, and chiffon-veiled versions of the Little Black Dress. Also fancy, but less formal, was Ungaro's gypsy chic - tiered chiffon skirts, heavily embroidered, and Mongolian fur-trimmed leather jackets, sweet rose-branch festooned slips.

The normally folkloric Dries Van Noten went austere, unlike with long coats in Old Master shades, a mere glint of embroidery flashing from an undershirt. Come to think of it, Van Noten would be perfect for those who, like actor/director Roberto Benigni, are planning to hit Rome for the papal fête.

But for many, as for Sir Ian McKellen, going public will mean going to the millennium dome in London. The mix of ages and aesthetics is guaranteed to provide a dazzling display of sartorial fireworks. And it's easy to imagine Chloe's Victorian hippie lace blouses and skintight denims or

Beatles' era tweeds (topped by a Sherlock Holmes cape instead of a jacket) brushing against Veronique Branquinho's gothic pleated skirts, caught up on one side with an adjustable strap like the kind found on garment bags.

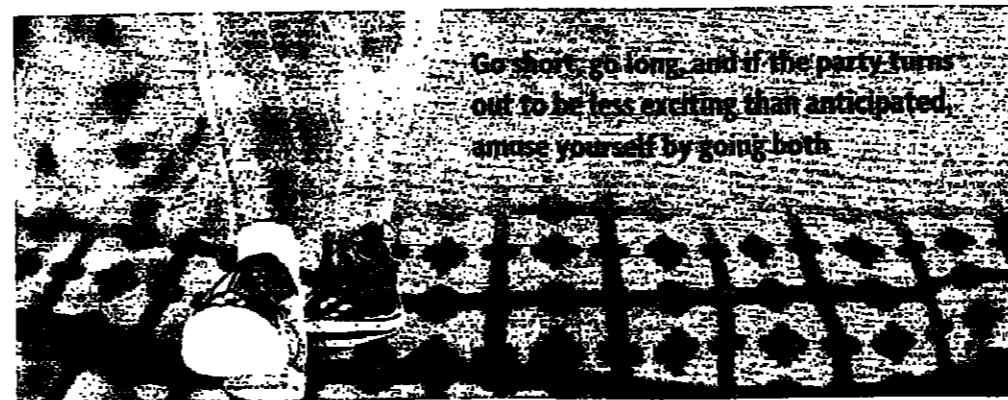
Also fitting would be Galiano's greatcoat skirts (the traditional military-style coat dropped to the hips in leather, tweed, or even rosebud-embroidered organza). Gaultier's witty trousers' twinset (an extra-wide pair of pants with the front slice of, say, leather motocross trousers embossed from thigh to ankle), and pretty much anything from Givenchy.

The only designer to embrace fully the space age, even if he did so through a Courrèges-tinted lens, Alexander McQueen sent out muscular, sharp-shouldered white or silver leather suits and velvet dresses printed with computer circuit boards, all of which would stand out like comets under the dome, though it would be advisable to avoid the orange moulded-plastic breastplate.

When there is so much to choose from, there is also a lot that should be avoided.

These include St Laurent's pageboy knickers and gigantic hot pink marshmallow sleeves; Miyake's starfish pleated tops, complete with a quassipuppytail on the back which wagged up and down as the models walked; Chanel's Pocahontas blanket tops and slave shackle belts; Lacroix's enormous Hallooween orange ballgown and black Christmas ornament sheath; Westwood's pirate hussy corsets; and Valentino's lace and satin tap pants, which should not be seen outside the bedroom or the bordello.

Of course, if you're planning a costume party...



Go short, go long, and if the party turns out to be less exciting than anticipated, amuse yourself by going both

throw on some narrow trousers, top it off by a red satin parka complete with fur-lined hood, and skim over the international date-line. Alternatively, lounge in a matte sequined, long-sleeved T-shirt or the most outrageously luxurious sweater of the season, a knit turtleneck, courtesy of Narciso Rodriguez at Loewe.

Either way, the luggage to carry taxed down Louis Vuitton's runway: oversized duffels and totes in bright red or purple LV-embossed patent leather.

ease: St Laurent's strapless bright orange satin column. Loewe's bubblegum pink caviar beaded shell over a red leather skirt, Chanel's A-line silver leather skirt with a sequined top or silver-shot tweed jacket, or Issey Miyake's "slinky" dress - a padded, Eskimo-printed, brandy-coloured sheath which rolls up and down the body like a child's toy. Go short, go long, and if the party turns out to be less exciting than anticipated, amuse yourself by going both.

The sartorial party trick of the season came courtesy of Junya Watanabe, who fast-forwarded 1960s couture into the next century. Each of his New Look silhouette skirts and dresses, offered in black wool, silk, tweed, and cream rose-printed silk jac-

FOOD AND DRINK



WINE JANCIS ROBINSON

The David and Goliath of vintage ports

Jancis Robinson was hit by a blinding flash of brilliance when she dragged herself along, reluctantly, to a tasting

There are times, dear reader, when wine tasting is a real chore. Last week, after a late night and on a Friday from hell stuffed with commitments - I found myself reluctantly en route for a blind tasting of all the important vintage ports made in 1993 and 1998.

As I ventured north of the capital to the British headquarters of the Symington group of port producers where this alcohol and sugar fest was being held, I was definitely not in a winey mood. I must confess, I was going because I had said I would, rather than because I expected to enjoy it.

But in the tasting room something remarkable happened. The wines were for the most part simply so beautiful, so admirable, and so thoroughly enjoyable that they effected a complete

sea change in my mood. Over the past two years or so, this tasting group of port professionals and aficionados had met to taste blind the various notable vintages of the 1990s and 1970s (by no means Symington ports exclusively). We had been disappointed by the 1998s, reassured by the 1993s, surprised by how good the 1990s were, and worried about how much the 1970s varied.

Two great vintages of the 1990s were a revelation of the most delightful sort. The best wines seemed to have almost as long a future ahead of them as some of the more disappointing wines of the 1970s and 1980s, while almost all of them were gorgeous to drink now.

There was one disappointment - a bottle of Graham 1993 seemed distinctly strange and muddy and

was surely an off bottle as this is a celebrated wine. (One taster had enjoyed a perfect bottle of it only the previous week, for example.)

At these blind tastings, uncluttered by prejudices and the reputations attached to the grand names of port, we have consistently been surprised by how well some of the supposedly inferior houses have performed.

The most jaw-dropping revelation of last week's tasting, however, was the stunning performance by Portuguese port shippers Calem which produced the group's favourite 1993 and my second favourite 1998.

In the most useful book on the wines available today, *Vintage Port* by James Suckling (published in 1990 by the American magazine Wine Spectator), is a classification of

Mature vintage ports

1993	1998	1970
Fonseca	Calem	Dow
Croft	Graham	Graham
Taylor	Graham	Calem
DeLorge	Wares	Kopke

The top five - excellent producers of more than 20 professional port houses

vintage port shippers from first down to fifth tier. In the first tier are the glorious names of Fonseca, Graham, Taylor and the Nacional bottling from shippers Quinta do Noval (once Portuguese but now French). The house of Calem languishes in the fifth tier along with such names as Kopke, Morgan, Pocas, Ramos-Pinto and Wises & Krohn.

It is certainly true that Calem produced several seriously disappointing vintage ports in

the 1980s, and that Calem's British importers, owners of the Unwins chain of off-licences, were as stunned as the rest of us at the magnificent performance of their 1998. When I rang the dominant fine wine traders, Farr Vintners, that evening for a spot price on this rarely-seen combination of shipper and vintage, without explaining why, I was told, "you couldn't give it away on a rainy day at Christie's South Ken."

This will change. A small quantity of Calem 1998 is available in Britain in magnum and auctioneer Christie's has every intention of selling a case or two in its cigar and after-dinner drinks sale on May 20. Meanwhile, vintage port enthusiasts would be well advised to head for their local Unwins and acquire one of the

dozen magnums of Calem 1998 available from head office at £125 each.

Perhaps we should not be so astonished by the "surprising" conclusions of these blind comparisons. Such comparative assessments are rarely, if ever, made in Portugal, and are almost as unusual anywhere else.

This is particularly true of mature vintage port, and of vintage ports from the Portuguese (as opposed to British-owned) shippers which are less rarely exported.

And since all these wines had been in bottle for more than 30 years, with very different storage histories and even bottling pedigrees (the rather impressive 1993 vintages of DeLorge and Croft having been bottled in Britain rather than Oporto, for instance), a certain degree of

variation is only to be expected.

Overall, the 1998s were if anything more homogeneous than the 1993s, with even the "Cockburn" (i.e. the wine that would have been released as Cockburn 1998 had the shipper not decided instead to bottle a Cockburn 1997) looking quite mature but tasting still quite vigorous. Conventionally, the 1993s are thought to have more staying power than the 1998s, but the 1998s from Calem, Dow, Graham, Taylor, Quinta do Noval and even the much less well-balanced DeLorge all still seemed to have a long future ahead of them, even if within the best 1993s lay even more hidden scents and subtleties.

These two vintages were definitely more sumptuous than the 21 examples from the 1970-vintage we tasted at our previous vintage port assessment - although here again, that little house Calem, sold last year by the Calem family to one of Oporto's most energetic businessmen, did rather well.

In sum, my advice to anyone with a passing interest in wine is to seize any possible chance to taste a 1993 or 1998 vintage port. It will lift the spirits.

COOKERY

Mâche of the day

Philippa Davenport visits a market gardening area of northern France to sample its pride and joy, corn salad

After Sunday Mass, churchgoers in Nantes, in north-west France, visit a neighbourhood bakery - always open on Sunday, as is the French custom, for the essential provision of fresh baguettes and pâtisseries.

What makes this Sunday shopping experience a typically Nantaise happening, is the presence of small vans laden with oysters parked outside the bakery doors. Both bakers and oyster-sellers do a roaring trade. For bread, butter and oysters are considered the best preface to a proper Sunday lunch à la Nantaise.

The butter served as part of this trinity is salted. In fact, unless you specify otherwise, you are always offered salt butter in Nantes. This struck me as strange, given that unsalted butter is the norm in France, until I remembered the proximity of Ile de Noirmoutier and Guérande, where some of the world's most highly prized (and highly priced) salt is harvested.

Nantes is now part of Loire-Atlantique. Once it was Breton, and some citizens wish it remained so. Lying at the mouth of the river Loire, gateway to the vineyard and châteaux-rich valley, the city was an ancient home of the dukes of Brittany, and the birthplace of author Jules Verne. It is a big commercial port; many of the industrialised local food products were developed from earlier requirements to supply victuals for the merchant navy - hence sardine canning factories and biscuit manufacturers. Beurre blanc is a local creation. A marshland breed of duck (the star of pressed duck recipes) bears the name of the city, as does a favourite variety of carrot.

The people of Loire-Atlantique are renowned market gardeners. Their land is close to the sea, blessed by a temperate Gulf Stream climate and enjoyably long daylight hours, a great horticultural headstart.

Planted to take advantage of mild winters with superior light, the *primeurs*, early season produce, can reach the market place with remarkable speed. Along with their neighbours in lower Brittany, the growers of Loire-Atlantique seem to have sliced up the market neatly with gentlemen's agreements rather than fierce rivalry.

Brittany has become synonymous with globe artichokes and cauliflower. The Nantaise concentrate instead on other produce such as leeks, carrots and saladings - of which *mâche*, usually called lambs' lettuce or corn

The genius of the system lies in a series of baths which make the greenery shed its dust coat and emerge cool, clean and toothsome and ready for packaging

salad in Britain, is their pride and joy.

It is hardly surprising that the Nantaise feel a little proprietorial towards this salad when you consider that 300 of them grow it commercially, cultivating some 18,500 tonnes of the stuff (50 per cent of European production), with more forecast year on year as French appetites for it, and those of export markets, are expected to grow.

The Nantaise hope *mâche* is going to be the new rocket, but with even wider appeal. It is cer-



Beetroot and lambs' lettuce; the salad is a speciality of the Nantaise

tainly true that, whereas rocket is perhaps too pungently distinctive to appeal to everyone, *mâche* is so mild-mannered that it is difficult to be offended by it. It is useful and attractive, all right, but it lacks those must-have addictive qualities that send British sales figures soaring.

Lambs' lettuce does not excite my tastebuds much. But its blandness can be welcome as production peaks in the cooler months of the year when most other available saladings are notably characterful. Waterecress, landress and bittercress can be sneeze-provokingly peppery. Sorrel can be mouth-puckeringly sharp. Rocket is deeply savoury. Dandelions, endive and radicchio are naturally bitter and sometimes tough, as was Wildroot chicory until Dutch aquaculture diluted it to a clean, crisp bite.

What really intrigues me about lambs' lettuce is the way this modest, almost insignificant looking little plant has gripped the imagination of Nantaise growers, and how much money they have lavished on it.

It is not a passionate horticultural story. These are market gar-

deners, not market gardeners, enterprising investors in, and promoters of, highly mechanised salad production methods, and I have a suspicion that it is the production, rather than the product itself, that they really relish.

Cross-breeding cultivation programmes began between the wars and were vigorously pursued in the 1950s and 1960s. The popularity of lambs' lettuce increased slowly but it was not until a decade or so ago, when technological advances were made, that sales really took off.

Now commercial Nantaise lambs' lettuce leads a totally sheltered, intensively farmed life, planted and nurtured in miniature ground-hugging polythene tunnels. The only whiff of fresh air it gets is when it is lifted and carried to the washing and packing station. I dare say the same is true of many commercial saladings the world over, but this was my first behind-the-scenes glimpse of such things and I was taken aback.

At 8.30 on a muddy winter-morning, I watched a massive machine straddle the first of many tunnelled rows to peel back

the plastic film and reveal the emerald green crop. The machine, then lowered its harvesting knife, an angled razor blade the width of the row, slid it delicately under the crop, sliced and lifted it (whole rosettes of leaves complete with hairy rootlets and a 3mm bed of estuary sand) in one continuous elegant movement.

A perforated conveyor belt allowed some of the sand to fall away, and a guillotine sliced the green carpet across into sections small enough to drop neatly into self-stacking baskets that were fed into a trailer truck and swiftly driven away. No sooner was the field stripped than it was replanted with 1,000 seeds per square metre, watered and sealed under plastic wraps once again. The small rosettes take an average three months to grow in the main season, just one month in summer.

Assuming the freshly harvested crop passes various quality assessment tests, it proceeds to the wash-house. No vegetable is so prone to trap sandy particles. Washing by dunking and dipping (the traditional solution for leaves that are easily bruised)

is insufficient to dislodge all the grit, and grit, as everyone knows, is vile to eat. The genius of the Nantaise system lies in a series of fine-tuned Jacuzzi baths, in which gentle bubbles and the occasional slow-motion paddle make the greenery shed its topsoil dust coat and emerge cool, clean and toothsome, ready for packaging.

Pillow packs are fast becoming the norm for salad sales in British supermarkets, and this trend is growing in France. But lambs' lettuce is also sold loose and in boxes. For boxing and selling loose, larger-leaved, bushier clumps of lambs' lettuce are grown - using just 500 seeds per square metre and an extra 10 days in the ground. The Jacuzzi treatment is omitted (the larger, looser heads are too floppy to survive it well) but, happily, they trap less sand and are relatively easy to wash successfully at home.

I saw these more mature clumps of lambs' lettuce growing on a farm where it was harvested the old-fashioned way by a picker on her knees with a special type of hand-held shovel. Experienced hands can pick and pack 40 lbs boxes per hour.

One of the pleasing things about lambs' lettuce is the fact that it is widely sold per se unlike red mustard, mizuna and other specialised saladings that generally retail only in mixed bags of designer leaves. The reason may be that the Nantaise invariably serve their lambs' lettuce as a simple salad on its own.

I am not over-keen on the idea of cooking the leaves to a purée with stock and butter or cream to make a jade-coloured hot sauce, or using them to make a low-fat "mayonnaise" (100g *mâche*, 200g fromage blanc, a soup spoon of olive oil and a teaspoon of lemon juice, plus salt and pepper, whizzed until creamy and smooth). But lambs' lettuce, lightly scattered with minced onion, teamed with a slice of molten cheese and a fan of pear, all sharply dressed with vinegar, chicken stock and olive oil emulsified to creamy white droplets, makes a fine salad.

I was totally seduced by a dish of sautéed *foie gras* laid on a bed of lambs' lettuce, the leaves wilted by the heat of the meat and bathed in its juices. Mark you, even lawn clippings would probably taste like manna from heaven if topped with hot *foie gras*.

There is a lot of talk about the superiority of Cool Britannia these days, and there are some who might wish to extend this sobriquet to cover Britain's culinary world, with its many fly-by-night restaurants and eclectic, post-modern styles.

In three domains, however, only a fool would suggest that Britain had the edge on France: bakers, pâtisseries, and *traiteurs*. Indeed, the absence of an efficient English word for the last two categories says it all.

The Plume of Feathers Greenwich

This charming 17th century pub/restaurant which is situated on the meridian line and has stunning views of the observatory and Greenwich Park is available for hire to companies or private parties for New Year's Eve celebrations.

Various hire packages are available including full catering.

BREAD

French connection that knows how to make dough

Giles MacDonogh meets a pâtissier-cum-traiteur who is plying his trade in England rather than in his native France

Jacky Lesellier's company Bagatelle does all three. Which is odd. In France they say that a good *pâtissier* is a baker, and *traiteur* is a delicatessen. The living dough needs a different, pragmatic approach to "dead" pastry. Still, Lesellier does well. He is a Frenchman, of course, but one who chooses to live in London, and that can only be good news in the notable absence of local talent.

Lesellier did not start off in the kitchen - he began his working life at sea in the French navy. He ended up a warrant officer seconded to the diplomatic service, doing stints in Scandinavia and the east Asia.

He left his ship in Singapore and started a club to supply anything from petrol to spirits to diplomats and others on overseas postings. When this trade came to an end three years later, he was temporarily stuck.

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Pumpas Wines

He thought back to his roots in Normandy and the family baking business and contacted the Parisian *pâtissier* Gustave Lenoire. In 1980 he created the first French bakery in south-east Asia. By the time he left in 1984 there were two shops, a restaurant and five in-store bakeries.

Two years in the US proved a fiasco when the government refused to grant work permits for his team of eager bakers and *pâtissiers*. His daughter was at school in England and in 1988 he began sniffing at the English market. He found nothing good: industrial bread, worse cakes, and a desperate need for good bakery in top hotels and restaurants. America's loss was England's gain.

In July 1989, as Britain entered recession, two Frenchmen, two Germans, a Swiss, a Spaniard, an American and an Englishman took advantage of a Business Expansion Scheme, and Jacky Lesellier was launched.

In one respect their conclusions were depressing: they decided that London was not ripe for quality high street bakeries and turned their attention to supplying the city's top tables instead.



Baker Jacky Lesellier (centre) with two of his staff

"The English confuse warmth with quality. For the time being they are happy with the deep frozen, half-baked baguettes they buy from the supermarket." Bagatelle has just one retail outlet, and that is in South Kensington; "Frog

Valley", as Lesellier calls the little French ghetto around the Lycée. If you want his "Lenoire-style" *tarte au citron*, his chewy *pain de campagne*, his terrines and prepared dishes, you will have to go there. The bakery business

started with an order from Philip Britten at the Capital Hotel for 100 white and brown rolls. Now they make 30,000 a night, produce 48 varieties of bread and 115 other products. His vans deliver three times a day to the top hotels and restaurants, from the Connaught to Marco Pierre White.

Yet everything is still prepared on the premises. There are no short cuts and no additives. In spite of 130 employees, most of whom are French, operating from a gloomy industrial estate in Park Royal off London's North Circular road, Lesellier insists that his operation is "artisanal". Craftsmanship coupled with the right machinery allows him to produce volume without compromising quality.

When I asked him why he continued to employ so many French people, even to answer the telephone, he smiled: "The French are better at dealing with chefs."

His business as a *traiteur* is chiefly used by offices, although he is doing a little work for the Waitrose supermarket chain. Looking through his catalogue I was reminded of the superiority of French receptions. Here were all the treats I remem-

bered: loaves deconstructed and reassembled as sandwiches; ducks which had been chopped into cubes and put back together again so that they could be consumed on toothpicks. It made a change from industrial cheddar and tinned pineapple.

I went for a tour of the works with him. As we progressed through the departments, pushing a hand truck, he showed me how he limits the yeast to improve the weight of his dough; the long "proving" of his different breads. The slower the proving, the better the bread. Dough must rest. There are no pauses in the industrial process.

In another room they were making butter and almond croissants. In a third, bread was baked "in the basket" for the Hilton. In a fourth, a *pâtissier* was putting the final touches to a batch of apple crumbles for Eurostar. Lesellier supplies the bread and cakes for trains leaving Waterloo.

He pokes his nose into everything. Recently he found his staff buying chicken breasts to make "chicken supremes". "What

do you mean," he asked in astonishment, "you don't know how to remove a fillet?" Now they buy whole birds and the carcasses go into the stock pot.

We sat down to a 500 calorie lunch (I assumed the glass of claret was not included in the tally). Lesellier is much concerned with health - his own and other people's - and is developing a dietetic range of three-course meals. French and German breads, he says, only very occasionally include fat. Cheap English and American bread is full of it.

He thinks fat must be the "wheat allergy" you hear about these days. "In France and Germany they never have wheat allergies." Not so the US: "If you don't have three allergies, you are not a good American."

With Lesellier's help, Britons may just keep cool. ■ Bagatelle, tel: 0181-453 8000. The Bagatelle Boutique is at 44 Harrington Road, London SW7, tel: 0171-581 1551.

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Revolution storms its way into restaurant

Country pub well with id

FOOD AND DRINK

EATING OUT

Revolution storms its way into restaurants

Nicholas Lander returns to Havana after four years to find out what's cooking in Cuba

In Cuba, strict timekeeping is not the norm, so when chef Franck Pecol was 30 minutes late I was not concerned. Nor was I upset since the view from his restaurant, La Torre, on the 33rd floor by the Malecon, Havana's somewhat neglected seafaring promenade, more than compensated. Through its windows I could look out east over old Havana, north across the Caribbean and west into a glorious sunset.

Pecol's life is testimony to the travel possibilities available to an enterprising chef. Born in Aix-en-Provence and trained in Marseille, Pecol has cooked in London, in Bedfordshire, on an island off Newfoundland and in Ho Chi Minh City. By the time Pecol had arrived in Havana he had developed a love of all things Latin American. When La Torre's original chef failed to arrive, Pecol stepped in and he has been cooking some of the best food in Havana for the past 18 months.

But, as Pecol explained, cooking in Cuba is not like cooking anywhere else. "There are some wonderful raw ingredients here, such as great Charolais beef and very tender milk-fed veal, bred by the Ministry of Agriculture down in Pinar del Rio in the west of Cuba. The fruit and vegetables are excellent. But there is no internal market."

"Here you cannot phone up a supplier, order something and wait for it to be delivered. I have to go down

to Pinar del Rio, fetch the carcass and butcher the meat myself. And when there is a shortage of dollars, imported goods just disappear. Then there is the challenge of motivating the staff. The waiters can only earn the 200 pesos monthly wage fixed by the government and, although they are very keen, you continually have to be setting them an example, to set them standards to follow."

In spite of this, Pecol's kitchen produces food you would be happy to eat in his native France. Two first courses were outstanding: an uncomplicated but very fresh shrimp cocktail and a more intricate dish of half a dozen plump shrimps caramelised with honey and orange. The fillet of beef with rosemary was as good as Pecol had promised and the lobster tail equally well cooked. La Torre's almond ice-cream is said to be the best in Cuba.

Good restaurants are still not common, but there is no doubt that it is far easier to eat well in Cuba today than it was on my first visit four years ago. As well as La Torre, Ranchon Parco and La Famiglia are two other restaurant recommendations. Or you can head for a more distinctly Cuban version of a restaurant, known as a paladar.

These are restaurants set up by enterprising Cubans in their own homes and usually occupy roof-tops, balconies or gardens. They operate in Cuba's dollar

economy, charging their customers in dollars, buying their food and wine from dollar shops and paying their taxes in dollars.

They are strictly regulated and can only employ family members. They can also go out of business quickly so a comprehensive list is never available. However, two longstanding examples are La Guarida, used as a set for the Cuban film *Fresa y Chocolate*, and La Cocina de Lilliam, en route from Havana to the suburb of Miramar. Both are memorable for their locations.

To reach La Guarida you walk into a tenement building, past a parked car and a wall painted with revolution-

ary slogans, up a dimly lit stone spiral staircase that, like so much of Havana's elegant architecture, has seen better days.

You carry on, past the

Guevara and montages of ballet shoes. Highly atmospheric inside, La Guarida also offers stunning views across Havana's rooftops. The city's dark outlines look

Sautéed vegetables with chorizo and thinly sliced homemade black pudding would not have been out of place on a professional menu

washing line on the first floor, until you arrive at the flat that doubles as the restaurant. Turn left by the former domestic kitchen and you enter two candlelit dining rooms decorated with film posters, pictures of Che

more 19th than late 20th century, thanks to Cuba's regular electricity shortages.

La Cocina de Lilliam is altogether more modern, a suburban bungalow with a large garden that has been converted into an open-air

restaurant with eight tables. You can sit outside by the palm trees and count the stars.

These two paladars produce some highly enjoyable food: deep-fried balls of malanga, a root vegetable; a particularly refreshing gazpacho; red snapper, the staple of many a Cuban menu; spicy chicken empanada; and, most distinctively, chez Lilliam, a dish of quickly sautéed vegetables with chorizo sausage and thinly sliced home-made black pudding. It would not have looked out of place on a professional menu. Dinner in most paladars costs about \$20 (£12.40) a head. Of course, the real attrac-

tion of eating in them is the warmth and friendliness of the families who run them - and the opportunity to step out of an impersonal hotel and into a Cuban home.

La Torre, Calle 17 No 55 e/ M y N Piso 36 Edificio Foca, Vedado, Havana. Tel: +53 325650. \$45 three courses. La Guarida, Calle Concordia #418, e/Gervasio y Escobar, Central Havana.

La Cocina de Lilliam, Calle 48 No 1311, e/ 13 y 15, Playa La Havana.

BA starts a weekly service to Havana on April 3. Tour operator Special Places specialises in group and private tours to Cuba. Tel: 01892-661157; e-mail: specialplaces@icricket.com

APPETISERS

Tickets for the FT Nines

There are just 20 tickets left for the FT's Glorious Nines dinner on April 23 at The People's Palace on London's South Bank.

After sampling the initial "tasting menu", from chefs Darby Brooks and Pat Lynch, I am getting even more excited about the event, which celebrates vintage wines ending in nine.

Guests will be served the Pol Roger '79 and '89 champagnes; Vouvray '49; Gevrey-Chambertin '69; Domaine de Chevalier '88; Grand-Larose '29 and the 'Xquem 1989. Tickets are £190 each. Fax: 0171-794 1519.

Nicholas Lander ■ Two aspects of Monday's Carlton Restaurant Awards dinner may prove to be of lasting consequence for many more than the 500 chefs, restaurateurs and restaurant writers who attended.

The first was the quality of the food and service provided by the Grosvenor House. The hotel kitchen proved that with an uncomplicated menu - dressed crab followed by perfectly cooked beef fillet - large numbers do not necessarily ensure gastronomic mediocrity.

The second was the boozing that greeted Gordon Ramsay's name. He was on the shortlist for the best French restaurant (won by Monsieur Max of Hampton Hill, Middlesex (call 0181-979 5546) and outstanding London chef (won by Philip Britten, formerly of the Capital Hotel, SW3).

Ramsay, featuring in a TV documentary series, has infuriated many by his on-screen verbal and physical intimidation of staff.

By boozing openly, other London chefs showed they want no part of such an approach. Bullying used to be prevalent in many kitchens when they were more hierarchical. It had almost disappeared and, for everyone's good, must not be allowed to return. NL



Franck Pecol at La Torre restaurant, Havana: 'There are some wonderful raw ingredients here... But there is no internal market'

WATERING HOLES

Country pub coping well with identity crisis

A local in Kent serves good food and good beer, finds Peter Millar

Making the best of both worlds is an understandable ambition all too rarely achieved. Especially in the pub business. The English country pub has been under threat for a decade at least - half a century if you happen to catch one of the gloomier landlords on a slow afternoon in March.

Whether this is because of television, drink-drive legislation, the level of duty on beer or the cynical preference of big brewers for "theme pubs" and managers rather than locals and landlords, the decline in the traditional village public house is undisputed.

The answer for many country landlords has been to turn to food. Which is good so far as it goes. The revolution in British eating habits over the past two decades has been well reflected in the majority of village inns where the pre-packaged Cornish pasty is, thankfully, a thing of the past.

Even the occasional French visitor to Kent can be cheerfully surprised by the quality of gastronomy. One classic example is The Harrow Inn. The hardest thing to describe about it is its location. It appears, according to the Royal Mail, to be in the parish of Igham Common, but anyone wishing to find it would do better to look for Ivy Hatch.

This is that curious sort of commuter countryside where what appears to be vast rural woodland actually conceals any number of discreet drives leading to large houses. The trees are a smokescreen for suburban civilisation in disguise.

The Harrow, tucked away down its leafy lane off a dual carriageway leading to Sevenoaks, has managed to fuse the functions of rural restaurant with that of a local's local with a rare facility. Superficially, this is a pub

suffering from a multiple identity problem: it has a public bar complete with pool table, a cosy taproom, a light and airy conservatory and a full-scale restaurant. What is astonishing is that they all manage to work in their own right, sharing facilities yet each without impinging on the other.

The topography of the place holds the answer. Originally The Harrow must have been a tiny pub indeed. The basic drinking area is still small, but a great brick fireplace, open on both sides and invariably piled high with blazing logs, separates

The conservatory, elegantly laid, with decent French and New World wines, is a pleasant place to dine

it into the "public bar" with chequered floor tiles and the gaming facility, and a more rustic room with farmhouse tables around the fire.

Not only does the pool table - so often the kiss of death to a country local - not intrude, but there is a symbiosis between the two rooms that, along with a decent pint of Greene King IPA and occasional guest biters, gives the place a proper pub atmosphere.

This is just as well, because The Harrow, rather than a restaurant, rather than a pub, is a restaurant. Particularly in the evenings, the conservatory extension with its elegantly laid tables and wine racks boasting a selection of French and New World offerings, is a very pleasant place to dine.

Meals served in the bar, to those lucky enough to squeeze on to the few tables,

come from the same kitchen. These include excellent lunchtime plates of steaming mussels, leek tarts, or a fine coquille St Jacques. On my last visit I enjoyed thin strips of rare calves' liver draped over mustardy mashed potatoes surrounded by hot onion gravy.

The greatest hit, unfortunately not on the menu last time, was a starter of smoked halibut and an excellent fish pie, with large flaky lumps of smoked haddock under a puff pastry crust, served with mini-loaves of wholemeal bread. The kids, in particular, adored it. Which brings me to the one problem: The Harrow is in two minds about families.

It purports to welcome them, but exiles children to the back bar on the spurious grounds that it does not have a "child certificate". The said certificate was another of former prime minister John Major's ideas that looked better on paper than in practice.

The intention was a backdoor loosening of the UK's ridiculous Edwardian licensing laws to bring it into line with the rest of the civilised world. It was never intended to be an extra restriction.

A few pubs, however, have chosen to interpret it as such: an excuse for banishing "people with kids" to supposedly more salubrious (usually rather inferior) back rooms. Quickly, The Harrow is one of them. On the other hand, I perfectly understand the licensee - and the local drinker - who objects to the weekend luncheon mob's tendency to turn a public bar into a private nursery.

And if that is what it takes to keep The Harrow fulfilling its multiple functions for the good folk of Ivy Hatch or Igham, then good luck to them. It certainly won't stop me going back. ■ The Harrow Inn, tel: 01372-885912

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GARDENING

A standard for Sunday that we can all envy

This year there are 3,500 gardens open for charity. Find them in the Yellow Book and you will not have time to dig your own, says Robin Lane Fox

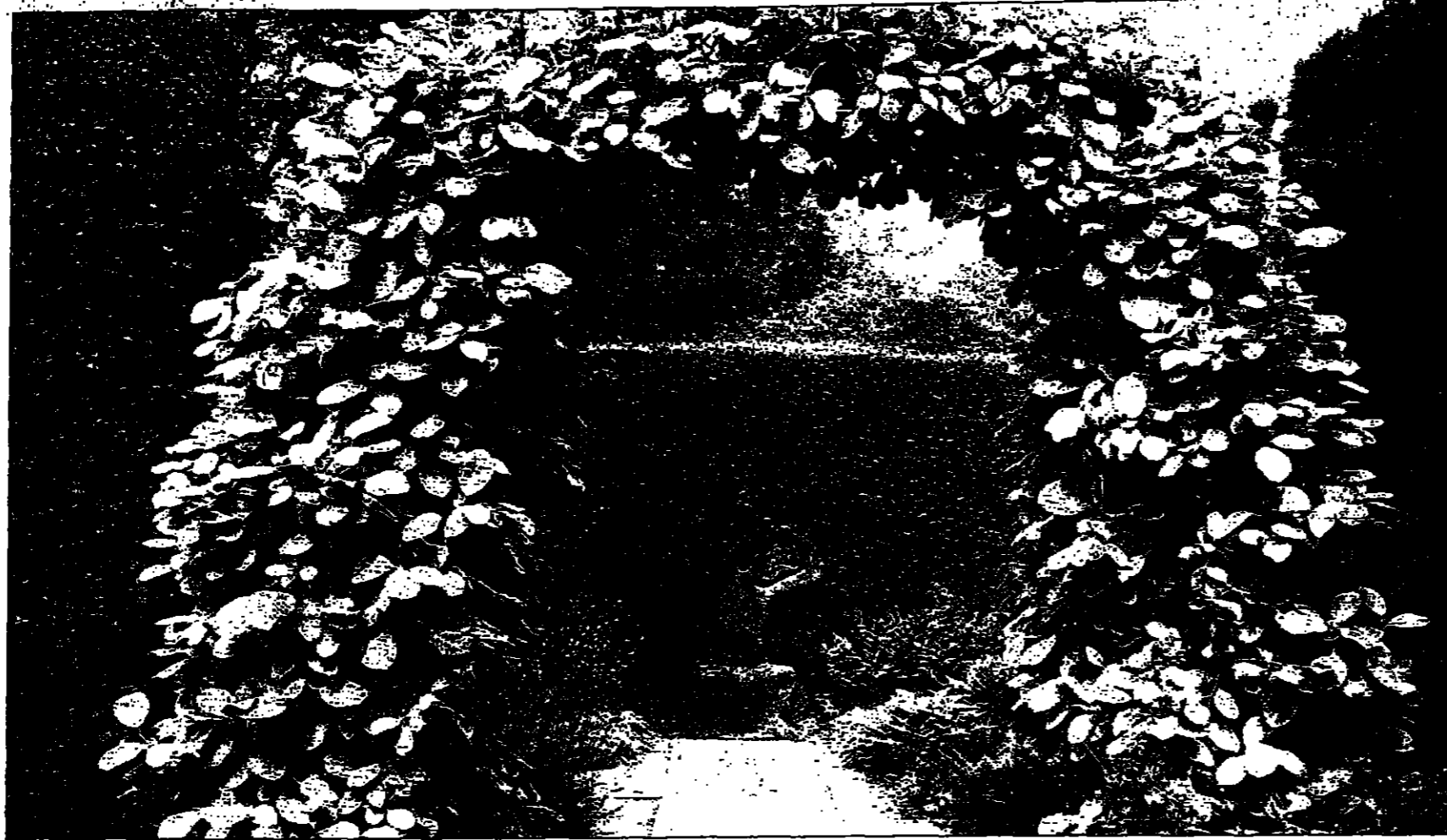
The exceptional days of spring weather have encouraged us all to look closely again at gardens - both our own and other people's. The essential companion to travelling, learning and quietly plotting is the Yellow Book of *Gardens of England and Wales Open for Charity* (24.50 for the 1999 edition). It has to be a bargain and this year the county maps are better than ever.

The number of gardens open continues to rise - 3,500 are now in the book - reflecting dedication to the UK's privately run national art. Many more are in counties which used to be a horticultural semi-desert. Shropshire, Nottinghamshire and Leicestershire are on the up and there are ever more new entries in ever smaller sizes.

Many of the newcomers write as if small is beautiful and perhaps they are right. I need persuading to spend a summer afternoon looking for a garden with "over 120 hardy geraniums", a patio and a planting plan installed in 1997. I also avoid groups of gardens which have caught the opening bug and advertise themselves in the same village. Their charitable enterprise is admirable, but I have never found a group which really stands up on individual merits.

Last year, the scheme raised more than £1.4m for charity and gave enormous pleasure to visitors, some of whom come specially to England for a week at the end of June. As the years pass, great gardens are handed on through the generations and inspire imitation and improvement. At Kiftgate Court in Gloucestershire, you can see the efforts of three successive generations of the same family, gardening without national grants and setting a standard we all envy.

In Hampshire, Bramdean House, off the A272, has about 50 years of continuity from mother to daughter and a great reputation for its dark-stemmed catmint, herbaceous borders and summer colour. In Berkshire, The Old Rectory, Burghfield, continues to open since the death of the female half of its partnership, and her daughter's garden can now be enjoyed at Towersey Manor, Towersey in Oxfordshire, made from scratch since 1974. Keen gardeners do not always inspire their children, but the



An arch covered in twining branches of two Sorbus aria L. Leucocarpa frames a Simon Verity sculpture in the rose garden at Kiftgate Court, one of the private gardens open to the public.

best gardens are beginning to develop some notable sports in the next generation.

The classic season for visiting is the season of old roses, especially in private gardens which we would never see otherwise. Particular favourites range from Wartnaby in Leicestershire, to The Manor, Hemmingford Grey in Cambridgeshire and Hodges Barn in Gloucestershire. Visitors speak very well of Shore Hall, near Braintree in Essex, which is enticingly illustrated in colour and goes to the upper quartile of my visits for this year. It looks as usual as if there would never be a dull Sunday, if only we could all afford to leave our own gardens to run themselves.

In the past decade, the number of open gardens has doubled and particular fashions are becoming

clear. Wild flowers are freely advertised and there is a much greater range of gardens round everyday houses in towns, from 139 Berry Hill Road, Mansfield (open on June 20), to the London Buddhist Centre, 51 Roman Road, London E2, which offers a roof garden and steep steps.

On May 23, you could visit 1 Pannmuir Road, London SW20, where the garden is 70ft long and gives the Australian owners' interpretation of an English walled garden in miniature. It includes the Union Jack in the layout of the path. In Gloucestershire, you can try The Old Rectory, Duntisbourne Rous, where the garden is said to have "10 distinct moods". Most of us have two, optimism or frustration, when we look closely at the prospects of a new season.

If in doubt, always opt for gardens which advertise one of the National Collections of a particular plant. In Dorset, Mews Cottage, Portland, holds nearly 200 penstemons, one of those additions to the visiting year which have only sprung up since the plant conservation movement began in the 1980s.

Older gardens are also springing back to a new life. In Somerset near Wellington, I hear great things of Cothay Manor which was laid out in the 1920s by an old friend of the Nicholsons at Sissinghurst and has been thoroughly restored since 1994. In Wales, Llanllyr, Talsarn near Lampeter has been renovated and enlarged beyond its original plan from the 1850s. At the National Trust property of Llanerchaeron near Aberystwyth, the

large walled gardens will be open for the charity scheme on Sunday August 22 and we can appraise the continuing work, all of it done for free by dedicated volunteers.

The Gardens Open scheme is envied in many countries and is imitated in the US by The Garden Conservancy. Send \$10 and \$3.50 postage to PO Box 219, Cold Spring, New York 10516, to receive this year's directory of gardens open. In Scotland, the Gardens Scheme Handbook costs £3.75 from Scotland's Gardens Scheme, 31 Castle Terrace, Edinburgh EH1 2EL. Scottish gardens can be great havens by late July when the summers are proving too hot in the south.

In the view of many owners, the one cloud on the horizon is the low level of decency among

visitors. Thefts show no sign of declining and the rarer the plant, the more it is at risk. I know owners who view their open days with mixed feelings because of the absentees apparent the next day. Among the charitable visitors, the hard-core of looters continues to be an expert menace. I doubt if they can really grow much which they seem to pinch at a quiet moment.

On Sundays which raise so much so well for charity, it is awful that many cuttings go wandering with visitors out of the garden gate.

Kiftgate is open for the National Gardens Scheme on Saturdays May 8 and August 14 (2pm to 6pm) and Sundays, Wednesdays and Thursdays from April 1 to Sept 30, including Sundays in June and July.

LUCY'S PLOT

Green grow the rushes - oh dear

There is a rather bleak statement in one of my gardening handbooks: "A beautiful lawn is the wish of many but it requires a great deal of care and the results often don't fully satisfy us." Never a truer word spoken.

My lawn is a miniature thing. You could say I was growing grass more as a vegetable than a garden feature. There just isn't room for a grand sweep and I had hoped that extra small would be the equivalent of extra beautiful.

Or so it seemed to start with, but about this time last year a few little extra pointed sprigs started to appear among the young grass. I thought my chives had self-seeded from the next-door bed but after a test nibble, I found they tasted of bogs, not onions. I was forced to admit it was rushes that were taking over.

Things have improved a little since then but bowling will not be possible this summer either.

I wonder if perhaps the problem is not one of drainage or choice of seed, but one of gender.

I'm sure that what's needed is not just blood, fish and bone but testosterone. I suspect that lawns, like buns and sports cars, are spoken of in the feminine.

I know I've heard men say things like "she could do with a spot of rain" or "she'll need a good dressing at the end of the season". Manly attention, please.

Back in the girls' department I'm longing for the reappearance of various bulbs and tubers I put in a while back. The most longed for are buried in a ferny corner: the Trilliums. It's not just the lovely dusky colours and steady leaves, fascinating in a rather witchy kind of way. I'm told the common name for Trillium sessile is *Three shade* and for Trillium erectum it's *Birdroot*. There must be a witches' brew potential there.

Although this is not the time for making broomsticks, we are now approaching the moment of "bud burst", the time when silver birch twigs can be collected to make kitchen whiskers. The bark can be stripped off and the twigs bound together. Witchy but nice.

Lucy Ogilvie-Grant

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today part 4

Always A Great Place To Be

Miles of beaches, acres of rainforest, skies full of sunshine, friendly people and an endless variety of delicious food. Malaysia is simply the tropics at their best.

Marketing Malaysia as a tourism destination has long proved difficult. Classic marketing theory of focussing on a unique selling point, and sending out a single-minded message, doesn't work. No single image can sum up a country that has so much to offer the traveller.

Fortunately for consumers, it's a simpler proposition. If you want to see, smell, taste and experience the tropics at their best, go to Malaysia. It's big enough to provide a huge diversity of attractions and terrain, yet with transportation easy and plentiful, you can cover a lot of ground without feeling pressured.

Nature has been especially kind to Malaysia, she gave her dramatic landscapes yet gentle weather. The rainy season brings refreshing downpours but it never rains continually, and there are neither typhoons nor earthquakes. Beaches are clean and safe. The water is always warm, and generally the seas are calm and surf-free.

English is widely spoken as a result of its colonial heritage and high level of literacy. The national language, Bahasa Melayu, with its roman script and easy pronunciation, is the most approachable in Asia. After a few attempts you can confidently order breakfast in Bahasa — and the locals will encourage you every step of the way.

Malaysia's best asset, of course, is its people and having welcomed travellers and merchants for half a millennium, hospitality comes naturally. Service is warm and gracious with none of the scripted falsity that you so often hear in the West today.

The diversity of attractions — and accommodation — means that Malaysia has something for everyone, at every stage of life, activity level and at almost every price. And for some old-fashioned rest and relaxation, Malaysia's main resort centres such as the islands of Penang and Langkawi, the east coast towns of Cherating and Kuantan, Kota Kinabalu in Sabah and

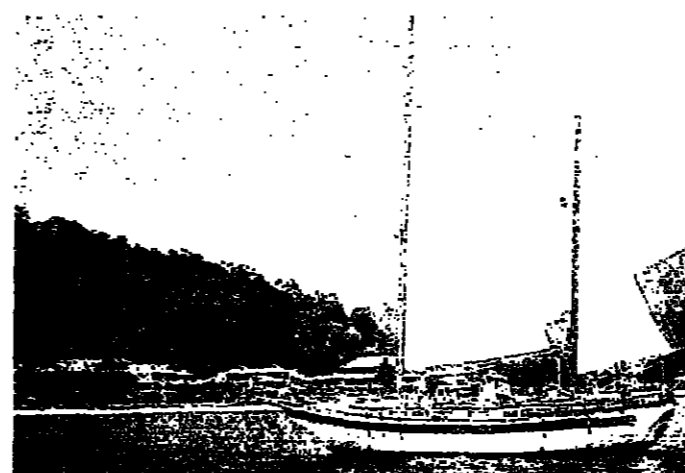
tops. If you can't leave your children at home, check in to The Andaman next door on the same glorious crescent of beach. Luxurious but low-key, spacious and with a lagoon-style shaded pool, it is more family friendly — and so's the price.

On Penang, the Shangri-La Rasa Sayang is one of Malaysia's oldest and best loved resorts with superb gardens fringing the beach — an excellent spot to sip wine, read or even play petanque. Staff bring you chilled tropical fruits and cold towels throughout long sultry afternoons. Further south, the Pangkor Laut Resort offers a choice of private villas. Ones on stilts above the gently lapping sea are guaranteed to cure any insomnia. This delightful and romantic resort on a private island was opened with a concert by Luciano Pavarotti back in 1994.

On the East Malaysian state of Sabah, the superb Shangri-La Tanjung Aru Resort is a favourite with couples and honeymooners. This sophisticated resort offers unforgettable sunsets over the Tunku Abdul Rahman Marine Park dotted with tiny deserted islands. Have one to yourself for a champagne picnic with delicious food and transport by speedboat organised by the hotel.

In Sarawak, the other East Malaysian state, there is the gentle Damai Beach which offers a number of resorts, including the Holiday Inn. Close to wildlife sanctuaries and the Sarawak Cultural Village, it's a good base for families and couples to explore the interior.

For families and the more budget conscious, Malaysia has options galore. Many resorts offer family packages, children's activity clubs, family rooms and even waive charges for youngsters sharing with parents. The Shangri-La's three properties in Penang — the Golden Sands, Palm Beach and the upmarket Rasa Sayang — sit side-by-side on Batu Ferringi beach. Together they form probably the biggest, best equipped resort in Malaysia for families — cross-



Langkawi island's crystal clear waters tempt sailors, and water-sports lovers (top right)

signing facilities mean you can stay in one and play in the others.

On peninsular Malaysia's quieter and more traditional east coast, the Club Med at Cherating is designed to resemble a Malay village or kampung. It boasts a circus school as well as the usual Club Med facilities. The Pan Pacific Resort on Pangkor Island is also a favourite with families.

For cooler options, the former hill stations in the Cameron Highlands offer temperate rounds of golf and cream teas to rival any in England. The Genting Highlands has several resorts which offer activities such as riding and trekking. There's an outdoor theme park for kids — and for grown-ups, Malaysia's only casino.

If you really want to escape the crowd, head for Malaysia's east coast where old customs and festivals thrive. Here most accommodation is in rustic chalets, homestays and small hotels. Travelling by rail, rented car, shared taxi or boats upriver into national parks or out to the many unspoiled islands is easy, fun and safe.

The fishing village of Mersing offers access to the laid-back islands of Rawa and Sibuan amongst 60 others. Or you can hop across to Tioman, immortalised as the setting for the musical *South Pacific*. The lovely Berjaya Tioman Resort offers chalet style accommodation, horse riding through the rainforest, trekking, snorkelling and scuba-diving. Further north are the islands of Perhentian, Kapas and Redang, now the site of the Berjaya Redang Beach Resort and Redang

to Europe it's fair to say that all of East Malaysia is wild. There's plenty to explore in Sarawak, Malaysia's largest state. It is home to Mulu, Bako, Niah, Batang Ai and Lambir Hills national parks. Mulu has the biggest limestone caves in the world — one cavern is big enough to accommodate St Paul's Cathedral five times over. There are 20 different ethnic groups and some of the most diverse dipterocarp forest on earth.

You can journey inland and stay at a real Iban longhouse. Watch the people living and working, especially weaving their stunning ikats, which are definitely worth buying. If you like your creature comforts, you can opt to stay lakeside at the Batang Ai Longhouse Resort. Run by the Hilton, it's the Iban concept but the facilities are more like home.

Over in Sabah, there are 30 different ethnic groups and southeast Asia's highest peak, Mount Kinabalu at 4,095 metres. Climb it and your trail will be adorned with over 1,000 different orchid species. Sandakan is the best base to explore the rainforest and numerous sanctuaries and reserves have opened recently. Oldest and most famous are the Sepilok Orang-Utan Rehabilitation Centre which rears them and returns them to the wild, and the Turtle Islands Park where endangered green and hawksbill turtles come to lay their eggs. For a special treat stay at the Borneo Rainforest Lodge, an exclusive facility for natural history buffs with comfortable accommodation good food and excellent guides.

If man-made history is more your thing, there's much to explore in Malaysia despite rapid modernisation. For a taste of old Malaysia, the streets of Georgetown in Penang, Kuching in Sarawak, and Melaka are priceless.

Melaka is Malaysia's oldest city, a port that was fought over by the Portuguese, Dutch, British and indigenous Malay sultans. Four hundred years later, the food still retains a Portuguese influence and the famous red Dutch town hall of 1650 and the fort still stand. The sense of history and cultural mix is strong. Charming Jonker Street, jam-packed with memorabilia shops — junk and antiques — from all eras, is a browser's paradise.

In Georgetown, streets full of old Chinese shophouses — many apparently held up by advertising posters from before the last war — is a busy working commercial centre. Tour it by trishaw — the locals still do — and you slip back a century.



Hit small boats for island-hopping

For eco-travellers or adventurous types who want to compete rather than spectate, Malaysia has the space — 19 million hectares of forest, in fact, or 75 per cent of the country. Over a quarter is protected as natural parks and wildlife and bird sanctuaries. Over 14,500 species of flowering plants (including 2,500 species of trees) have so far been found in Malaysia's forests, along with 600 species of birds and more than 200 species of mammals — including such rarities as the Malayan tiger whose population as a result of conservation is on the increase.

The jungle is no walk in the park, and needs to be treated with respect. In Malaysia, however, you have the opportunity to experience this dramatic eco-system at many levels. You can dip your toe in by visiting wildlife sanctuaries, or go the full monty and trek for days inland to visit isolated tribes living as they have done for centuries. And there's plenty of choice in between.

On peninsular Malaysia, Taman Negara national park has 2,500 square miles of 130 million-year-old rainforest. It's a great introduction to the wild with organised tours and transport by boat upriver to park headquarters. Here, you'll find the Taman Negara Resort with deluxe chalets, hot showers and great food. It's possible to go for an overnighter whilst tougher explorers can opt for an arduous nine-day trek up Mount Tahan (2,178 metres). A night in a hide can offer a glimpse of a tiger, tapir deer or wild buffalo. Further south is the lovely Endau-Rompin National Park which has only recently geared up for visitors. Perhaps that's why it's the last refuge in peninsular Malaysia of the rare Sumatran rhinoceros. Compared

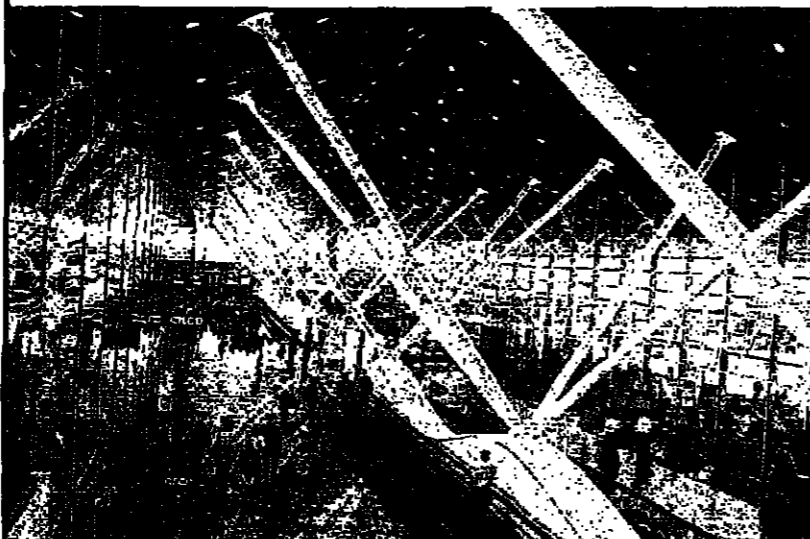


Tranquillity and tradition thrive in Temenggor

Kuching, the capital of Sarawak, is possibly one of the most delightful towns in Asia. Here, many architectural styles sit happily side by side along the meandering muddy river. The excellent Sarawak Museum is an anthropologists' dream, Fort Margherita every history-lover's new promenade allows you to stroll along the riverbank watching the river traffic, the houses on stilts, the trishaws and other people soaking up the same slow and sultry atmosphere. It leaves a quietly intense and enduring image that sums up the tropics at their best in Malaysia.

This advertorial was created by the Malaysia Tourism Promotion Board. Visit us at <http://tourism.gov.my>

MALAYSIA



The new state-of-the-art Kuala Lumpur International Airport is a welcome sight

With a society made up of Malays, Chinese, Indians and over 30 different tribal groups, no country in the tropics is as ethnically diverse. This is reflected in a rich cultural life, a calendar full of fascinating festivals, and glorious food. Malaysian cuisine is a smorgasbord of variety. Rich and spicy it is never a test of endurance like some neighbouring cuisines, or a test of technical prowess: spoons and forks, not chopsticks, are the order of the day.

Damai Beach in Sarawak are hard to beat.

Stressed out execs can unwind in luxury at The Dataran Langkawi, off Malaysia's northwest coast. Sensitively designed to merge with the rainforest as it cloaks the mountainside all the way down to the beach, this is one of the country's top hide-aways. Excellent food is served outdoors by the beach or in restaurants that appear to float amongst the tree-

more budget conscious, Malaysia has options galore. Many resorts offer family packages, children's activity clubs, family rooms and even waive charges for youngsters sharing with parents. The Shangri-La's three properties in Penang — the Golden Sands, Palm Beach and the upmarket Rasa Sayang — sit side-by-side on Batu Ferringi beach. Together they form probably the biggest, best equipped resort in Malaysia for families — cross-

A Capital City For Business

The Malaysian capital, Kuala Lumpur, was a sleepy green oasis in the 1970s. Today, it's the most exciting metropolis in southeast Asia — and a great centre for doing business.

In the past two decades Kuala Lumpur has changed almost beyond recognition. Expatriates of old living in their colonial mansions in leafy Damansara Heights would often pop home for lunch. Now they live in condominiums and take lunch in any one of scores of restaurants in five-star hotels and independent restaurants across the city, which is a good thing for two reasons. Today the traffic is so busy they wouldn't make it home in time, and besides the wife wouldn't be there. She'd be in one of dozens of fabulous shopping malls, having lunch or even out at work herself.

Sleepy no more, the symbols of the new Kuala Lumpur are Cesar Pelli's quarter-mile high Petronas Towers, the tallest building in the world and the gateway to the new commercial heart of the city. Built on the site of KL's old horse-racing track, the Kuala Lumpur City Centre (KLCC) project is the world's biggest real estate development and the city's biggest bet on its future.

Eastward lies the Golden Triangle, another relatively new face of the city full of hotels, boutiques and shopping malls and offices. Many of the city's top hotels are in this area. By the end of the decade, KL will have over 26,000 hotel rooms and since they have traditionally been some of the best bargains in Asia, room rates look set to remain great value for business travellers for years to come.

Some of the city's most famous hotels like the Shangri-La, The Regent and the Hotel Istana, have been joined recently by the Ritz Carlton, Mandarin

Oriental, JW Marriott, Renaissance and Radisson. On the way is an Empress Hotel and a Duta Grand Hyatt. All are internationally renowned with first class facilities for executives both as individuals and groups.

KL is an excellent destination for meetings with the city and the country's attractions providing great opportunities for incentive programmes or post-conference getaways. For large conventions, there's



Getting together for business at KL's Putra World Trade Centre Convention Hall

the Putra World Trade Centre, a purpose-built venue of 21,000sqm of convention and exhibition space. The Plenary Hall can host 3,000 delegates for a convention, 1,600 for banquets.

The Shangri-La Kuala Lumpur has a pillarless ballroom to seat 2,000 classroom-style while the Ritz Carlton, Istana and Hilton also offer great meeting and conference venues. For pre- or post-conference tours or incentives, Malaysia has

options by the thousand (see main story).

For dining and entertaining, KL boasts a huge selection of restaurants encompassing every Asian cuisine and a score of western. From hawkers' fare to local coffee-shops to the best French and Italian cuisine, KL is hard to beat. After dark, KL has long had a reputation as a fun town and that is growing — and there's more than karaoke, bars and clubs.

Amongst other cultural options, the Malaysian Philharmonic Orchestra attracts first class soloists and conductors, such as Dutch conductor Kees Bakels, and runs an active programme from its new concert hall at the KLCC.

Night-time is also the time for shopping at the famous pasar malam, the night markets which tantalisingly change location throughout the week. The recession and exchange rate fall has meant Malaysia is a bargain hunters' dream and just about everything can be found in KL. From electronics and designer labels in modern malls like Lot 10 and Star Hill to antiques and handicrafts at the nostalgic Central Market in the older part of the city.

But instead of buying your partner a gift from Malaysia, why not bring him or her (and the kids) with you. The fabulous new Kuala Lumpur International Airport offers state of the art facilities and connections to over 102 cities around the world and shuttle services to all major Malaysian cities and resorts.

There really is no better time or place to combine business and pleasure than in Malaysia today.

TRAVEL

Plain sailing if you're scared of going solo

Jean Eaglesham samples an almost tourist-free centre for water sports at the remote end of a Greek island

"Next time," said the sailing instructor with commendable patience, as we surfaced spluttering next to the overturned dinghy, "lean out after I tell you to."

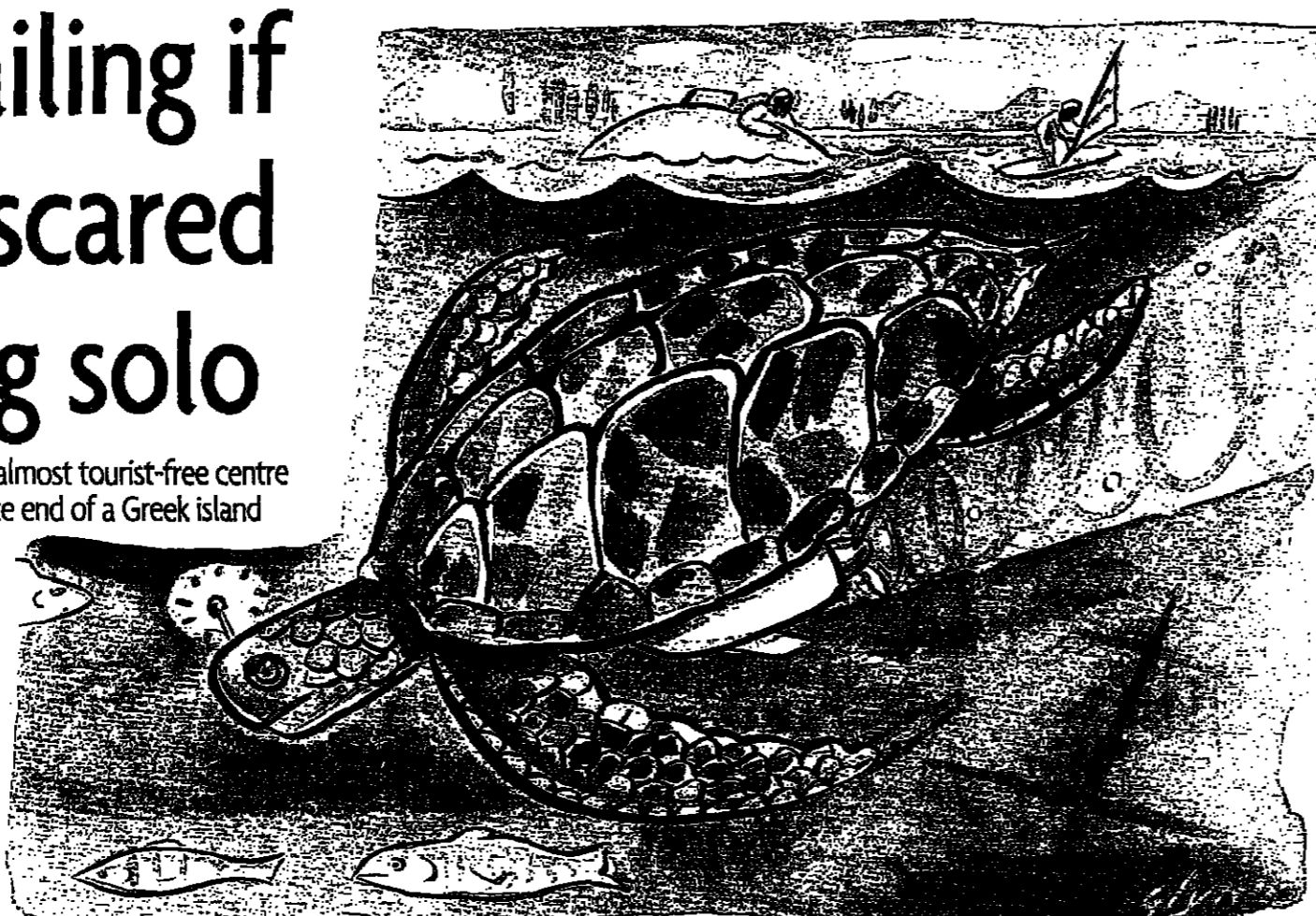
One of the many things you forget when you've not been in small boats for a while is how likely they are to tip over. Another is how much fun they are, particularly the new generation of high performance craft, like the Laser 2 we were sailing. A few minutes after my involuntary swim, we were racing along, the hull thrumming with the speed, generating so much spray that I barely had time to spot a loggerhead turtle before it dived.

This was an extremely lucky sighting. Zakynthos, the Greek island where I was staying, contains the last remaining nesting beaches for the turtles in the Mediterranean. But they are now so rare, the locals are reputed to have built plastic, propeller-powered turtles to satisfy tourist demand.

The fake amphibians are not the only sign of tourist pressures on Zakynthos. Once called the "flower of Ionia" by its Venetian conquerors, the island now has a main suburb "n" disco resort which is indistinguishable from a thousand others on the Med.

Take a 40-minute drive from the airport to the north-eastern corner of Zakynthos, however, and it's a different, altogether more enticing, story. This remote end of the island is where the Peligoni Club is based. A small sailing and windsurfing centre, the club (named after the nearest village) was founded 10 years ago by Vanessa Goldie and Johnnie Alexander. They came across Zakynthos while cruising the Ionian, fell in love with the place and stayed.

It is not hard to see why. The club is in a stunning setting. Sitting on a rocky coastline with mountains at its back, it looks out over a near deserted bay to nearby Cephalonia - the island which



inspired Louis de Bernieres to such lyricism that every other tourist seems to carry a copy of *Captain Correlli's Mandolin*.

The scenery appears to its most dramatic effect at the end of the monastery walk organised each week by Goldie. After driving high into the mountains in an assortment of hired cars, we wandered through old orchards, pine trees and fields of wild flowers to reach a ruined monastery on a cliff top just before the sun set. Its final descent into the sea, spilling red across the horizon, was toasted with plastic beakers of white wine, as we sat gingerly on the edge of the cliff eating olives and feta cheese. As Brian, one of my fellow sailors, remarked: "You wouldn't get this on a package trip."

The same sense of informality extends to the clubhouse. Built from scratch by Alexander and Goldie, it is the focal point of the social, as well as watersports, activity. Run along the lines of a big houseparty - with the exception that the guests pick up the bill for the food and drink - the club is not a place for the terminally antisocial.

Although the holiday accommodation is in local self-catering stu-

dios and beautifully restored stone cottages, everyone tends to congregate for the optional but excellent lunch and dinner cooked each day at the club.

During July and August, you could find yourself sharing this meal with up to 80 other guests, mainly families, although there was only a small party of adults when I was there in the autumn. Some adults may find the convivial, all-Brits-together, atmosphere

after lunch tends to increase to a force four to five by late afternoon - exhilarating conditions if you have sailing or windsurfing experience, but a bit intimidating for beginners.

The club offers a reasonable range of dinghies, from Laser Picos - the best bet for learning on or

not entirely to their taste, but children - and teenagers, in particular - generally love it.

The clubhouse offers dry land activities, including tennis and table tennis. But the heart of the holiday is inevitably out on the water. The days usually start with a flat calm, ideal for learning to waterski, practising on the wind-surf simulator, snorkelling or - for dedicated sailors - sunbathing.

The light breeze that gets up

Part of the club's charm is its laid-back air, in distinct contrast to the regimented approach of most package holidays. Alexander and Goldie, who speak fluent Greek, have become a part of the local community and, after a while, you forget you are yourself a tourist. Even a boat trip to see a local shipwreck in a beautiful, isolated bay is timed to avoid the hordes of dreaded "trippers" who arrive around lunchtime.

The holiday is not cheap. Hiring a car or moped is essential for most of the holiday homes, which are a good 10 to 15 minutes' drive into the hills from the club. Depending on where you stay and when you go, the typical cost of the holiday itself will set you back a further £300 to £500 per person per week - and that's excluding flights and meals.

But if you can afford it, there cannot be many more relaxing ways of sailing in the Med - or simply relaxing on one of the few corners of an Ionian island that remains relatively tourist-free.

■ *Jean Eaglesham was a guest of the Peligoni Club. Information and bookings from Pacific Holidays, 01845-511459.*

Part of the club's charm is its laid-back air, in distinct contrast to the regimented approach of most package holidays. The owners are now part of the community

Teen heaven, or just Surrey in the sun

If your children have passed the age (circa 12½) when parents change into the most embarrassing, boring and irritating people in the world, choosing a summer holiday can be a particular challenge.

Early teenagers are too young to go travelling alone, but old enough to want little to do with you. Their ideal holiday involves hanging out with people their own age, frenetic activity, and a backdrop of constant pop music. Your presence is required only as travel escort, chauffeur and a large, ever-open wallet.

So heading off for two weeks to a hotel or villa in a foreign country which lacks the usual support systems (friends, TV, Nintendo) and expecting a good time can be an act of collective folly ending in raised voices, slammed doors and silent meals.

It was to avoid this prospect that we booked ourselves into the Peligoni Club last summer. It is known mainly as a family sailing holiday centre (though children under seven are discouraged) and we had read a review quoting one regular saying it was the only place her teenage children would come on holiday with her.

So how did it shape up? On the whole, very well. The big attraction - for children as for adults - is the watersports: sailing, windsurfing, canoeing, snorkelling, or simply swimming out to the club's offshore raft, the hub of holiday gossip. Learning to sail is much more fun in the warm, clear Ionian waters than on a cold, muddy windswept English lake.

The Peligoni prides itself on its relaxed house party atmosphere and, unlike more regimented family resorts, there are minimal organised children's games. Basic watersports tuition is provided if you ask for it, but beyond that children are left very much to their own devices. Our 11-year-old spent much of a windless afternoon amusing herself

practising dinghy capsize. However, a team of young instructors in motorboats keeps a close eye on the club's bay and goes quickly to anyone who appears in trouble.

The Peligoni is very child-friendly and informal. Our children loved the freedom to roam around the club, or order their own food (and ice-cream and soft drinks) when they wanted, and eat with new friends rather than parents. We liked the freedom all this gave us.

But there are drawbacks. While the club is located in the unspoiled north of the island, the electricity pylons striding right by the tennis court takes some getting used to.

Nor does it seem the place to come if you want seriously to learn to sail. It's fine if you are already an expert or a beginner, happy to mess around in boats and learn the basics, but I saw no evidence that you could get a rigorous course of instruction here - and at the most popular times of the day you can face queues to get out in a dinghy.

You also need to be careful about accommodation. The Peligoni has some delightful stone-built cottages on its books, but our house (a relatively late booking) had a distinctly D-I-Y air.

The most important ingredient of a houseparty is whether you get on with the other guests, and that, of course, is an unknown until you arrive.

The Peligoni's clientele is entirely English and overwhelmingly professional - doctors, lawyers, accountants, City bankers and the like. But there is no guarantee that there will be children the age of yours, or that everyone will hit it off. And it is not the place to escape the mundane concerns of home: the problems of the English education system are just as dominant around the dinner table at this Surrey in the sun.

Martin Dickson

TRAVEL

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SPORT / MOTORING



Playing to full galleries: long-term favourites Arnold Palmer (left) and Seve Ballesteros

Photograph: Alamy/Topix. Montage: Philip Thompson

GOLF

Golden oldies to the fore

Derek Lawrenson examines the loyalty enjoyed by all-time greats Arnold Palmer and Seve Ballesteros

Do sporting heroes tarnish their reputations by carrying on past their prime? The idea, long propagated by sports journalists, may have never been more than a well-meaning untruth in the first place, a final attempt to persuade Muhammad Ali to retire when all else had failed.

Any credibility the theory may have possessed has been shattered by the wonderful receptions accorded one golfer in Orlando this week, and due another, also in Florida, on Monday.

The first is Arnold Palmer, who was competing in the USPGA tournament he originated, the Bay Hill Invitational, where there was not a chance he would make the 36-hole cut. Did this make any difference? Not a bit. His audience was still considerable.

The field, meanwhile, was the strongest for a strokeplay event so far this year, the top players rallying round the great man. In a fortnight the roadshow moves on to Augusta, Georgia, where Palmer will compete in his scarcely believable 45th consecutive US Masters tournament. It is extremely hard to credit, but 90 per cent of the field were not even born when he first played in it.

Yet a good percentage of the gallery will watch only one man, fully aware that the backing will be shorter than it was in his heyday while the followthrough retains a fraction of its thrust.

They started watching in 1955 and they see no reason to stop now. "I feel like I know them all on first-

name terms," Palmer said last week, only half-joking.

Such loyalty explains why, at 70, Palmer's business empire continues to pull in \$30m a year. Curiously, this makes him one of the top five earners in golf, even though he never earns a cent from actually playing.

This week the third book on Palmer to have been published this decade reached the shelves, and is expected to go straight into the New

It is the people they become that determines whether sport's greatest heroes tarnish their image, not their continuing sporting endeavours

York Times bestseller list. The fact that America has just lost one sporting icon in Joe DiMaggio will probably intensify the affection.

The other golfer is Palmer's European equivalent, Severiano Ballesteros, who will be inducted into the sport's Hall of Fame in what is sure to be a moving occasion in Jacksonville on Monday.

The Spaniard and the Americans have not always seen eye to eye, to say the least. A number of halfwits assumed the name Seve to be the Spanish equivalent of Steve and, not bothering to check, would announce him on the tee as Steve Ballesteros. Then galleries started hollering: "Way to go, Steve."

To say that Ballesteros considered

this an insult is one of the great understatements. Indeed, the Seve business probably cost the Americans one or two Ryder Cups, as Ballesteros exacted his revenge.

These days, of course, Ballesteros the golfer is a shadow of his great self, even though he is no older than last year's double major championship winner, Mark O'Meara. He last won a tournament four years ago and in three European appearances this season has yet to survive a cut.

He has made his peace, too, with America, where he was always much more popular than he thought. He was once suspended from the USPGA tour for a year because he did not play in sufficient tournaments to keep his player's card.

It was a crass judgment by the xenophobic commissioner in charge at the time, who failed to recognise that a player from Europe could have commitments to play there as well as in the US. Among the players who spoke out against the judgment was Palmer; and among the outraged were many American golf spectators, who eventually brought about a change of heart.

On Monday, Ballesteros will give a speech that will doubtless be charged with emotion and have its audience spellbound. At 42 he may be half the player, but he is twice the man. This, I think, is why characters like Ballesteros and Palmer retain their fascination. It is the people they become that determines whether sport's greatest heroes tarnish their image, not their continuing sporting endeavours.

Two of them were in low-quality events, which sadly emphasises how far he has fallen.

Like Palmer, Ballesteros's prime was crammed into a few short seasons, his best years cut short by the savage disappointment of throwing away the 1986 Masters. It was a tournament he had intended to win to honour the memory of his father, who had died of lung cancer just a month earlier. I recently saw for myself how the wound remains open, even 13 years on.

At his home in Pedrera I asked him about that tournament, and what he thought of the idea that it seemed one half of his career had ended there and another begun. As he started to explain the back-

ground, to talk about his father, he halted in mid-sentence and wept.

What do people think when they watch Ballesteros these days? They enjoy the good shots, and hope it is one of those days when he recaptures enough of the magic to shoot a score in the 60s. But I suspect that on those all-too-frequent occasions when he shoots in the mid-70s, no one has the desire to ask for a refund.

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MICHAEL THOMPSON-NOEL

Dying to take over as jumps protest grows

There was great emotion this week when racehorse trainer Jenny Pitman, the first woman to train a winner of Britain's notorious, death-dealing Grand National steeplechase, announced her retirement from jumps racing and said her son Mark would take over her stable.

Mother Pitman, 52, who has trained two Grand National winners, announced her retirement on the opening day of Cheltenham's showpiece festival of jumps racing. Each decade, jumps racing kills hundreds of racehorses on British tracks, though its days are surely numbered. Once people realise how many horses die each year, there will be an irresistible campaign to outlaw it.

For example, on the day Mother Pitman announced her retirement, protesters at Sedgefield racecourse, in northern England, laid a floral wreath and handed leaflets to racegoers to mark the deaths of three horses in a horrific pile-up at the track last month.

Five members of a Newcastle animal rights group picketed the racecourse in what was described as a peaceful demonstration. Spokeswoman Louise Stevenson said: "It is important that people should be reminded what happened at the course last month. It was not a freak accident, as four horses die every week directly or indirectly from injuries picked up during races."

Alan Brown, Sedgefield's general manager, said extra safety measures had been taken. "In all dangerous sports," he said, "there will be accidents."

"You cannot legislate for every eventuality."

□□□□

People often mistake me for Carlos Moya's brother, probably because Moya and I have an identical nice-guy image and are extremely laid back. However, after a while it gets boring explaining that you are not Carlos Moya's brother, so these days I let people think what they like.

Moya, the new No 1 in the world tennis rankings, is both a nice guy and a

sincerely modest one. At present, he is only a handful of points ahead of America's Pete Sampras, whose reign as No 1 has lasted, with interruptions by five different rivals, for almost six years.

In turn, Sampras, following his long winter break, is closely pursued by Yevgeny Kafelnikov of Russia, so there could be lots of musical chairs at the top of the rankings in the next few months, especially if the British No 1, Tim "Droopy Drawers" Henman, currently at No 6 in the world list, gets his act together in the run-up to Wimbledon.

(Henman was dubbed Droopy Drawers by this column, mainly because of his skill at plucking defeat

'In all dangerous sports there will be accidents. You can't legislate for every eventuality'

from the arms of victory, but the sobriquet would have to be jettisoned if he ever stopped faffing and actually won a grand-slam title, such as Wimbledon.)

Moya was especially charming when asked how it felt to be No 1. "This is what everyone is looking for [and] I've done it," he said. "Maybe tomorrow another does it. It works that way. One time you are up. One time you are down. This is my time to be up."

□□□□

Soccer club managers can do your head in. Just ask Benfica coach Graeme Souness, who was forced to leave Lisbon's Stadium of Light last Sunday under police escort after most of the 80,000 fans clamoured for his dismissal. His team had lost a crucial league game 3-0.

Portuguese newspapers, all of which reported Benfica's home defeat against Boavista under front-page banner headlines, said Souness waited 2½ hours after the game ended before leaving the stadium by a side exit.

HOW TO PUNT IT

The other day I made one of the worst gambling errors possible: I accepted rotten value from a bookmaker, knowing it to be rotten.

I had wanted to increase my bets on Bayern Munich to win soccer's European Cup, and walked to a nearby London betting shop that was offering 11-2 (or 5/4-1) against the German team. These were very generous odds.

The shop was supposed to open at 10.15am. It still hadn't opened at 10.35, when

I decided I could wait no longer. Instead, I visited a different shop, belonging to one of the UK's Big Three bookmaking chains, and bet £20 on Bayern Munich to win the cup at 11-4, or 2½-1.

This was mad, for 5/4-1 is twice as great as 2½-1. If the Germans triumph, I will win £55 on this week's bet, against a potential £110 at the shop that never opened.

Andrew Burke, author of an excellent book called *Spread Betting* (Rowton Press, £8.95), says only mugs

bet on soccer with steam-age, fixed-odds bookmakers, who have been offering appalling soccer odds for years and getting away with it. Far better, says Burke, to bet on soccer with one of the ultra-competitive spread-betting firms, or with the spread-betting division of a fixed-odds bookie. Burke's advice is worth its weight in gold. But don't get carried away.

MT-N

MOTORING

Innovate from the bottom up

Michael Harvey finds, at last, a compelling reason to buy a small car... the new Yaris from Toyota

Until last week's Budget, there was little real incentive to buy a small car in the UK. Even now, after the great redistribution, there are still few rational reasons for doing so. Ask any owner of a Mercedes A-class or Ford Ka why they downshifted from a BMW or a Benz and you'll get a trunk-load of post-rationalised twaddle.

They might like to think otherwise, but small car owners, me included, don't get to wherever they are going any quicker. We get stuck in the same jams as large cars and, as we sit there feeling smug, we are not producing less much than a big car (carbon dioxide excluded). Most frustratingly, we pay the same to park our £10,000 3.6-metre cars as do the owners of £145,000 4.5-metre cars.

So why do we bother? Why did I bother? Partly, I suspect, it's because small car owners sense the tide is turning and we like to feel ahead of things.

Mostly, however, it's because some of the most appealing cars on the road right now are small. While mid-size saloons appear to be cloned, if not from one another then from their immediate predecessors, small cars increasingly make the case for auto-diversity. With many mak-

ers entering unfamiliar segments for the first time, the only rule is that there are no rules.

It might have got off to a wobbly start and it might not be everyone's idea of a Mercedes-Benz, but don't tell me you are not intrigued by the idea of an A-class. Or what about the inverted snobbery of the Ford Ka, classless transport that comes with air-conditioning and a CD player, the automotive equivalent of fish and chips on the menu at Bibendum, one of London's top restaurants.

Now there's another small car that will get your attention the first time you see it. And, partly thanks to Gordon Brown, it's not one you will need to post-rationalise. The car is the Toyota Yaris, currently Japanese-built but soon to be French-built.

Toyota stands for reliability; you would really be down on your luck if this car let you down. Yaris, however, can only mean the Japanese are still terrible at thinking of new car names that don't cause sniggers.

Sadly, in the past buying a Toyota might also have meant your friends and neighbours muttered about your taste and judgment. Not any more; the Yaris is as cute and neat as any creation from the Conran Shop. Toyota

means business with this car. There are six Yaris models: three with three doors and three with five doors (the lives are the better looking). The price differential - from £7,495 to £10,995 on the road - relates only to doors and trim. All the engines are the same, highly advanced 1.0-litre unit. There's also an all-inclusive, two- or three-year lease option starting at £203 a month, or you can buy the car outright, then spend another £140 to £200 on a two- or three-year servicing scheme. Others will follow Toyota's lead here.

The Yaris is about a pound coin's diameter shorter than a Ford Ka. It is a tall car with a very short nose so the driver and front-seat passenger sit forward and upright.

It is not too comfortable at first and takes a little getting used to, but your back seat passengers will thank you for your perseverance; arranging the seating like this does wonders for rear seat legroom and boot space. The Yaris comes with a sliding rear seat so you can make the most of either.

Novel external architecture and interior design, however, is just the beginning.

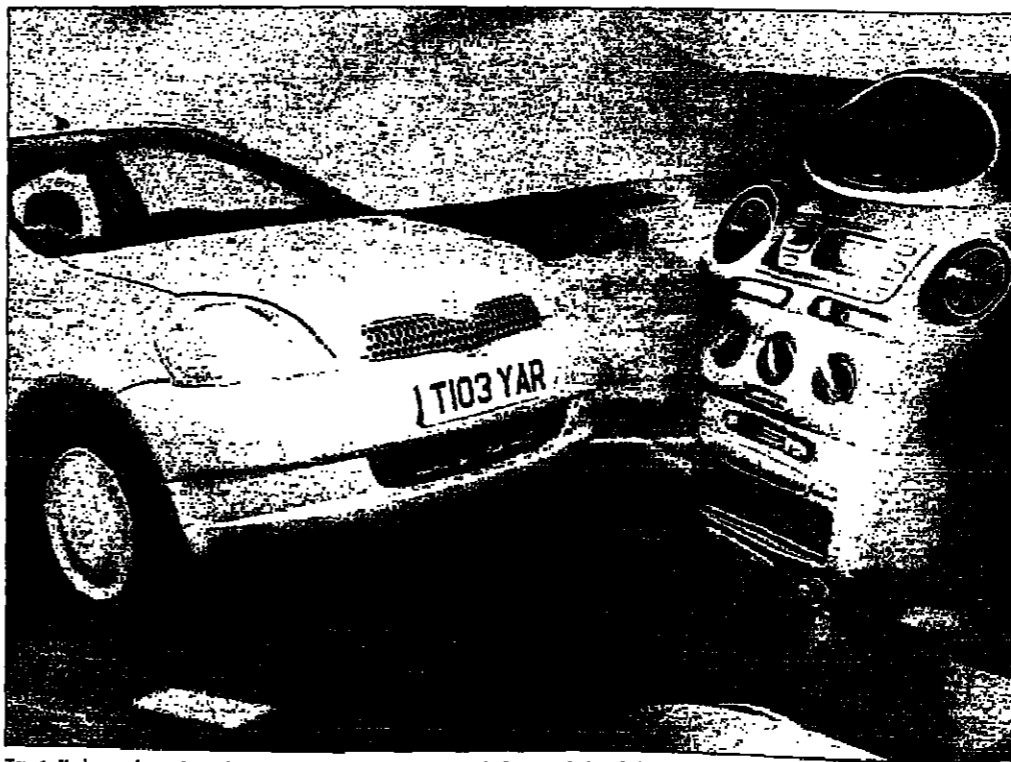
In taking what it describes as a more human approach to interior

design, Toyota has designed the floors, doors, seats and dashboard of the Yaris to swallow as much of our clutter as it possibly can. Inside you'll find two gloveboxes, two bins by the inside knees of the front seat occupants and more cup holders, trays, shelves and bins than you could ever need.

But the interior story doesn't end there either. For all sorts of reasons - the dash package, forward visibility, marketing gimmick requirements - the Yaris's instruments are in the middle of the car, angled towards the driver.

And they are holographic, projected forward inside their little pod so your eyes have to work less hard to focus and refocus on the road, the instruments, road, instruments; they work too. Really well. European industry dogma says digital instruments and central displays are two no-nos. Oops. Then again, European industry dogma says Japanese cars are never fun to drive. Oops again.

The Yaris is a delight to drive. You need to know that for a one-litre car that qualifies for a discount tax disk and should return nearly 60mpg, it's nippy enough to reach just over 60mph in 14 seconds.



Toyota Yaris: novel exterior architecture is just the beginning; interior design includes a holographic dashboard (inset)

You'll also enjoy the light but positive steering, especially when it comes to parking. And you won't ever get that scary roundabout drift. The Yaris is nothing if not a grippy little car. You might not be so keen on the gearshift which, on the only Yaris I've driven to date, had to be shoved home. To be fair, it's not something anyone else has whinged about.

There's no excuse, however, for the seat design on the three-door models which obliges you to

reposition the front seat each and every time you pop them forward to access the rear. It's the sort of detail people get to loathe more the longer they own a car, and I bet Toyota changes it very quickly.

Because younger, bolder folk buy small cars, it's become fashionable for makers to reinvent themselves from the bottom up. Look at Ford after the Ka and Mercedes after the A-class. This is probably the real story with the Yaris: the richest, possibly

the cleverest, manufacturer of cars in the world has decided to get serious.

Toyota has already just become the best-selling Japanese brand of car in Europe and has had the best-selling car in the US for the past two years. Whether you drive a small car or a big one, you cannot afford to ignore the Yaris.

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INTERNATIONAL ARTS GUIDE

What's on
around
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AMSTERDAM

DANCE
Dutch National Ballet: programme combining the Dutch premiere of *Acts of Light* by Martha Graham, with the world premiere of Krzysztof Pastor's *Bitter Sweet*, and Balanchine's *Symphony in C*; Mar 21, 24, 26

EXHIBITIONS
Rijksmuseum
Tel: 31-20-673 2121
Shakudo: display of Asiatic objects highly popular in Europe and imported in large quantities by the Dutch East India Company, to Apr 5

OPERA
Netherlands Opera, Het Muziektheater
Tel: 31-20-551 8911
Die Zauberflöte: by Mozart. Conducted by Hartmut Haenchen in a revival of Pierre Audi's staging co-directed by Saskia Boddeker; Mar 20, 23, 25

BARCELONA

EXHIBITION
Museu Picasso
Tel: 34-3-379 6310
Picasso - Engravings 1900-1942: temporary exhibition with more than 250 works from the Musée Picasso in Paris. It presents Picasso's engravings as a diary, a daily examination of his emotions. It follows the different themes and techniques that inform the artist's work; to Apr 4

BERLIN

DANCE
Deutsche Oper
Tel: 49-30-34384-01
Choderlos: staging by Roberto de Oliveira. Kevin McCutcheon conducts Prokofiev's score; Mar 26

EXHIBITION
Neue Nationalgalerie
Tel: 49-30-2660
Max Ernst (1891-1976): retrospective of the German Surrealist then transferring to Munich; to May 30

OPERA
Deutsche Oper
Tel: 49-30-34384-01
● Der fliegende Holländer: by Wagner. Conducted by Rudolf Plettmayer in a staging by Götz Friedrich; Mar 25
● Der Rosenkavalier: by R. Strauss. Conducted by Jiri Kout in a staging by Götz Friedrich; Mar 21

BOLOGNA

OPERA
Teatro Comunale
Tel: 39-51-529999
La Cenerentola: by Gioacchino. Conducted by Bruno Bartoletti in a revival of Lilliana Cavani's staging, first seen in Zurich four years ago. The cast is led by Daniela Dessi and Alberto Cupido; Mar 20, 21, 23, 25

BONN

EXHIBITIONS
Kunst- und Ausstellungshalle der Bundesrepublik Deutschland
Tel: 49-228-917 1200
www.kah-bonn.de
● High Renaissance in the Vatican: Art and Culture at the Papal Court (1503-34); to Apr 11
● Museu Nacional de Arte Antiga, Lisbon: this latest in the museum's Great Collections series leads visitors through seven centuries of Portuguese art and history. The 200 works on display include paintings, sculptures and drawings, as well as objects made in Portugal's porcelain factories and gold workshops; from Mar 26 to Jul 11

CHICAGO

CONCERTS
Orchestra Hall
Tel: 1-312-294-3000
www.chicagosymphony.org
● Chicago Symphony Orchestra: conducted by Pierre Boulez in works by Stravinsky, Debussy and Berlioz, with harp soloist Sarah Bullen; Mar 20
● Chicago Symphony Orchestra and Chorus: conducted by Pierre Boulez in a concert performance of Schoenberg's *Moses and Aaron*; Mar 24, 26

EXHIBITION
Chicago Cultural Center
Tel: 1-312-744 6630
Landmarks of New York and Chicago: display of 150 photographs, celebrating some of the most important buildings in both cities; to May 30

CLEVELAND

EXHIBITION
Cleveland Museum of Art
Tel: 1-216-421 7340
www.clevelandmuseumofart.org
Diego Rivera: Art and Revolution. Major retrospective of the Latin American painter and talk hero. Rivera was a pioneer of the muralist movement, and his work is unique in 20th century art. This show features 125 works and includes public and private loans from Europe, Japan and Mexico; to May 2

COLOGNE

EXHIBITION
Wallraf-Richartz Museum
Tel: 49-221-223 82
www.wallraf-riechartz.de
Arndt de Gelder (1645-1727): first monographic exhibition devoted to Arndt de Gelder, one of Rembrandt's most prominent pupils. The show includes 53 paintings and 13 drawings as well as 25 graphic works by Rembrandt; to May 9

COPENHAGEN

EXHIBITIONS
Louisiana Museum of Modern Art, Humlebaek
Tel: 45-4919 0719
www.louisiana.dk
● Henri Cartier-Bresson: Europeans. Previously seen in Paris and London, this show brings together 185 works ranging from the photographer's career from the 1930s to the present; to Jun 6
● The Asian City of the 90s: display focusing on the processes of cultural, political and economic development in Asia, and on the dialogue between East and West; to Apr 21

EXHIBITIONS
Barbican Art Gallery
Tel: 44-171-638 8891
● Africa by Africa: A Photographic View. Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Marra Casset, Seydou Keita and Samuel Fosso; to Mar 28
● Picasso and Photography: The Dark Mirror. Exhibition exploring the influence of photography



'Young Woman with Child', by Hans Memling, at the Kunst- und Ausstellungshalle in Bonn

Telzen-Lund and Rump. The show was organised jointly with the Hermitage Museum in St. Petersburg, where it opened last year; to May 24

DRESDEN

OPERA
Semper Oper
Tel: 49-351-48420
Ariadne auf Naxos: by R. Strauss. Conducted by Colin Davis in a new staging by Marco Arturo Marelli. Cast includes Susan Anthony and Jon Viliars; Mar 22, 25

EDINBURGH

EXHIBITION
Royal Museum
Tel: 44-131-225 7334
www.rms.ac.uk
Chinese Lacquer: 48 objects selected from the museum's lacquerware collection, the oldest of which is more than 2,000 years old. Highlights include an eared cup from the Han dynasty and two 18th century Qing bronzes; to Mar 28

FORT WORTH

EXHIBITIONS
Kimbell Art Museum
Tel: 1-817-3328451
www.kimbellart.org
● Gifts of the Nile: Ancient Egyptian Palaces. to May 2

HOUSTON

EXHIBITION
Museum of Fine Arts, Houston
Tel: 1-713-639 7300
www.mfa-houston.org
Art at Work and Contemporary Arts Museum. Forty Years of the Chase Manhattan Collection. Display of 77 works which together chart the major movements in postwar American and European art. Organised chronologically, the show at the Museum of Fine Arts includes works by Calder, Stella and Bayes, while the Contemporary Arts Museum features artists of the 1980s and 1990s, including Basquiat, Cragg, Lichtenstein and Sherman; to May 2

LONDON

CONCERTS
Royal Festival Hall
Tel: 44-171-969 4242
● Academy of St. Martin in the Fields: conducted by Murray Perahia and László Halasz in a programme of works by Mozart, with soloists including tenor Anthony Rolfe-Johnson; Mar 22
● Academy of St. Martin in the Fields: conducted by pianist Murray Perahia. In a programme of works by Mozart; Mar 22
● BBC Symphony Orchestra: conducted by Andrew Davis in works by Mendelssohn, Mozart, Daugherty and Tchaikovsky, with violin soloist Joshua Bell; Mar 23

EXHIBITIONS
Barbican Art Gallery
Tel: 44-171-638 8891
● Africa by Africa: A Photographic View. Spanning the breadth of photography produced in Africa since the 1920s. Includes works by Marra Casset, Seydou Keita and Samuel Fosso; to Mar 28
● Picasso and Photography: The Dark Mirror. Exhibition exploring the influence of photography

upon both figurative and Cubist strands of Picasso's art. His own photographic works feature amongst the many items on display; to Mar 28
British Museum
Tel: 44-171-636 1555
The Golden Sarcophagus of Heliogabalus and the East. Display bringing together biographical material with objects collected by the self-taught scholar who is chiefly remembered as the founder of Singapore. Includes musical instruments, masks and shadow puppets collected by Raffles when he was Lieutenant Governor of Java (1811-16), and plant and animal drawings; to Apr 18

Wayward Gallery
Tel: 44-171-261 0127
www.wayward-gallery.org.uk
Patrick Caulfield: major retrospective of the British pop artist, then touring in Europe and the US; to Apr 11
National Gallery
Tel: 44-171-639 3321
● Orazio Gentileschi at the Court of Charles I. to May 23
● Portraits by Ingres: Images of an Epoch. 40 paintings and 50 drawings by the 19th century French painter, includes major loans from museums in France, the US and elsewhere, then touring to the US; to Apr 25

● Rogier van der Weyden: the 20 surviving paintings attributed to the 15th century Netherlandish artist are mostly too fragile to travel. The National Gallery has five, and these are supplemented by two from the Gulbenkian in Lisbon and two from the Getty in California for this show, which celebrates the 600th anniversary of his birth; to Jul 4

National Portrait Gallery
Tel: 44-171-3060555
Matisse: Portraits. Works by the Pre-Raphaelite painter and portraitist, including his paintings of Ruskin, Little Langtry and Gladstone; to Jun 6

Royal Academy of Arts
Tel: 44-171-300 0000
Monet in the 20th Century: arriving in London from Boston, this exhibition brings together late works by the founder of Impressionism. The 80 paintings on display include important public and private loans, culminating in a group of seven of the monumental water lily panels which were the triumph of his career. Also included are paintings of London and Venice; to Apr 18

Tate Gallery
Tel: 44-171-887 8000
Jackson Pollock: arriving in London from New York, this major retrospective of the Abstract Expressionist comprises around 80 paintings and drawings drawn from major public and private collections worldwide; to Jun 6

FESTIVAL
London Handel Festival
Tel: 44-181-336 0890
London Handel Festival: highlights include a staging of Handel's opera *L'Orario* at the Britten Theatre, with the London Handel Orchestra conducted by Deryn Darrow/Paul Nicholson and soloists from the Royal College of Music (Mar 23-25); concerts at St. George's Chapel, Windsor Castle. St. George's Church, Hanover Square and St. Andrew's Church in Holborn; to Apr 25

OPERA
English National Opera, London Coliseum
Tel: 44-171-632 8300
Mefistofele: by Boito. Conducted by Oliver von Dohnányi in a new staging by Ian Judge; Mar 24, 26

LOS ANGELES
EXHIBITIONS
Los Angeles County Museum of Art
Tel: 1-213-657 6000
www.lacma.org
● Ancient West Mexico. Art of the Unknown

Region: comprehensive overview of West Mexican art between 200 BC and 800. The 225 objects on display include human figures and animals, originating from an area that covered the Mexican states of Nayarit, Jalisco and Colima; to Mar 29
● Van Gogh's Van Goghs: Masterpieces from the Van Gogh Museum, Amsterdam. Display of 70 paintings on loan during the period of the Dutch Museum's renovation, transferring to LA from Washington. Ranging across the artist's career, the show includes masterpieces such as *Potato Eaters* (1885) and *Wheatfield with Crows* (1890); to May 16

MADRID

EXHIBITIONS
Fundación Juan March
Tel: 34-91-435 4340
● Marc Chagall: Jewish Traditions. 40 paintings by the Russian-French painter, produced between 1909 and 1976. They detail Chagall's progression through such styles as Expressionism, Cubism and Surrealism; to Apr 11
Thyssen-Bornemisza Museum
Tel: 34-91-423 944
● El Greco: Identity and Transformation. Focusing on the years 1580-1600, this exhibition follows the artist's early apprenticeship in Crete and Italy, in an attempt to shed light on his subsequent 'Spanish transformation'. The 80 works on display include major public and private loans; then travelling to Rome and Athens; to May 16

MONTREAL

EXHIBITIONS
Montreal Museum of Fine Arts
Tel: 1-514-285 1600
www.mbam.org
Monet at Giverny: 22 paintings, produced during the last 20 years of the artist's life, loaned by the Musée Marmottan in Paris; to May 9

MUNICH

CONCERTS
Philharmonie Gasteig
Tel: 49-89-5481 8181
● Bavarian Radio Symphony Orchestra: conducted by Lorin Maazel in works by Mozart and Bruckner, with piano soloist Murray Perahia; Mar 20
● Bavarian Radio Symphony Orchestra: conducted by Lorin Maazel in works by R. Strauss; Mar 25, 26

● Munich Philharmonic Orchestra: conducted by James Levine in works by Mozart, Haydn, Berlioz and Ravel. With soprano Cecilia Bartoli; Mar 21, 22, 23
EXHIBITIONS
Haus der Kunst
Tel: 49-89-211270
● Angelika Kaufmann (1741-1807): retrospective of works by the Swiss decorative artist, who was a founder member of London's Royal Academy. Includes paintings, drawings, prints and porcelain; to Apr 18
● Art Across Borders: Classical Modernism from Cézanne to Tinguely and World Art - as seen from Switzerland. Display of the collection made by Swiss recluses Josef Müller (1887-1977), to May 30

OPERA
Bayerische Staatsoper
Tel: 49-89-2183 1920
www.bayerntheater.de
● Konya Kabeirika: by Janáček. Conducted by Paul Daniel in a staging by David Pountney, with sets by Stefano Lazaridis and costumes by Marie Joanne Loez; Mar 21

NAPLES

EXHIBITION
Museo di Capodimonte

Mattia Preti between Rome, Naples and Malta: first of three special exhibitions marking the 300th anniversary of the death of Mattia Preti (1633-1689), the southern Italian painter known as 'Il Cavaliere Calabrese'. The show emphasises the influence of Caravaggio, and includes about 60 paintings and 30 drawings by Preti and his contemporaries; to Jun 11

NEW YORK

CONCERTS
Avery Fisher Hall, Lincoln Center
Tel: 1-212-875 5030
www.lincolncenter.org
● New York Philharmonic: conducted by Yuri Temirkanov in works by Shchedrin and Stravinsky, with violin soloist Hilary Hahn; Mar 20
● New York Philharmonic: conducted by Yuri Temirkanov in works by Stravinsky, with violin soloist Hilary Hahn; Mar 23
Carnegie Hall
Tel: 1-212-247 7800
www.carnegiehall.org
National Symphony Orchestra: conducted by Leonard Slatkin in the world premiere of John Corigliano's *A Dylan Thomas Trilogy*. With the Choral Arts Society of Washington and baritone Hakan Hagegard; Mar 26

EXHIBITIONS
Guggenheim Museum
Tel: 1-212-423 3500
www.guggenheim.org
● Jim Dine: Walking Memory, 1959-1989. More than 100 works make up this survey of the American artist, including photographs, paintings and performance pieces; to May 16
● Picasso and the War Years 1937-1945: more than 75 works - paintings, sculpture and works on paper - which together explore Picasso's response to the period which began with the Spanish Civil War and ended with the liberation of France. Includes major public and private loans; to May 9
Metropolitan Museum of Art
Tel: 1-212-879 5500
www.metmuseum.org
● 18th Century French Drawings in New York Collections: highlights of a century of collecting, featuring 100 outstanding examples by 59 artists including Watteau, Boucher and Fragonard; to Apr 25

● Dosso Dossi, Court Painter in Renaissance Ferrara: Dosso Dossi was the last of the Ferrarese painters, much influenced by Giorgione and Titian. This exhibition includes rarely lent masterpieces from the Borghese Gallery in Rome and other European collections; to Mar 28
● Masterpieces of Photography from the Gilman Paper Company: 45 of the greatest 19th century photographic works from the collection; to May 23
● Picasso: Painter and Sculptor in Clay. Seen last year at London's Royal Academy, this show brings together 175 ceramic works by Picasso, mostly created between 1947 and 1962; to Jun 6

Whitney Museum of American Art
Tel: 1-212-327 2801
Ray Johnson (1927-1995): Correspondences. First major museum show about the artist who was a progenitor of pop and mail art. The 150 works on display include paintings, collages and mailings from Johnson's New York Correspondence School; to Mar 21

OPERA
Metropolitan Opera, Lincoln Center
Tel: 1-212-362 6000
www.metopera.org
The Queen of Spades: by Tchaikovsky. Conducted by Valery Gergiev in a revival of Elijah Moshinsky's staging, designed by Mark Thompson. The cast is led by Plácido Domingo (replaced by Yuri Marusin on Apr 3), Galina Gorchakova and Olga Borodina; Mar 22, 26
New York City Opera, New York State Theater
Tel: 1-212-870 5570
www.nyccopera.com
● Lizzie Borden: by Jack Beeson. New production conducted by George Manahan in a staging by Rhoda Levine, with Phyllis Pearsall in the title role; Mar 21, 24
● Madama Butterfly: by Puccini. Conducted by Guido Johannes Rumschlag in a staging by Mark Lamos first seen in November, with sets by Michael Yeaman and costumes by Constance Hoffman; Mar 20, 23, 26

PARIS

EXHIBITIONS
Grand Palais
Tel: 33-1-4413 1730
Un ami de Cézanne et de Van Gogh: le docteur Gachet (1826-1909). Exhibition devoted to the doctor and painter who was a friend to Cézanne, Pissarro, Monet and Renoir as well as to Van Gogh, who famously spent the last weeks of his life with Gachet at Auvers-sur-Oise; then transferring to New York; to Apr 26
Musée d'Art Moderne de la Ville de Paris
Tel: 33-1-5367 4000
La Collection du Centre Georges Pompidou: 200 works from the Musée national d'art moderne will be displayed here in three sections during the period of the Centre's renovation. The exhibition will consider the contribution of artists such as Matisse, Picasso and Kandinsky to the great art movements of this century. Other sections will explore Surrealism and the New Realism; to Sep 13

Musée d'Orsay
Tel: 33-1-4049 4814
www.musee-orsay.fr
● Edward Burne-Jones: major retrospective of the British Pre-Raphaelite painter, which forms the mainstay of the museum's 'season anglaise'; to Jun 6
● Gothic Revival: Architecture and Decorative Arts of Victorian England. Display examining the fascination of mid-19th century artists with medieval society, with particular emphasis on the nascent Arts and Crafts movement; to Jun 6
● Louis Caroll: photographs by the author of *Alice in Wonderland*, of subjects including the young Alexandra Kitchin, and the actress Ellen Terry; to Jun 6
Musée de Louvre
Tel: 33-1-4020 5151
www.louvre.fr
Eternal monuments of Ramses II: New Theban excavations. Display of the latest archaeological findings from the Egyptian pharaoh's tomb; to May 10

OPERA
Opéra National de Paris, Opéra Bastille
Tel: 33-1-4473 1300
www.opera-de-paris.fr
The Magic Flute: by Mozart. Conducted by Friedemann Layer in a staging by Robert Wilson; Mar 20, 21, 23, 24, 25

PERUGIA

EXHIBITION
Galleria Nazionale dell' Umbria
Tel: 39-075 574 1247
Beato Angelico and Benozzo Gozzoli: Renaissance Painters. Organised to mark the 500th anniversary of Fra Angelico's death, this show includes missing sections of his *Polittico dei Domenicani*, lent by the Vatican so that the whole, restored polyptych can

be seen in its entirety; to Apr 11

ROME

EXHIBITION
Palazzo delle Esposizioni
Tel: 39-06-474 5903
Algarotti: The Other Face of the Baroque. First major exhibition devoted to Bernini's great rival, the Bolognese artist Alessandro Algardi. Includes 66 sculptures in bronze, terracotta, marble and silver, and 47 drawings. With major loans from Europe and the US; to Apr 30

ROTTERDAM

EXHIBITION
Kunsthal
Tel: 31-10-440 6300
Helmut Newton/Alice Springs: Us and Them. Retrospective of the fashion and portrait photographer, whose work is shown alongside that of his wife, Alice Springs (the pseudonym of June Browne); from Mar 20 to May 9

SAINT LOUIS

EXHIBITION
St. Louis Art Museum
Tel: 1-314-721 0072
Beckmann in Paris: previously seen in Zurich, this show explores the German artist's relationship to the city he settled in. Work by Beckmann is displayed alongside that of French contemporaries; to May 9

SAN FRANCISCO

CONCERTS
Davies Symphony Hall
Tel: 1-415-864 6000
www.sfsymphony.org
● San Francisco Symphony and Chorus: conducted by Roberto Abbado in works by Bloch and Rossini; Mar 24, 25
● San Francisco Symphony Orchestra: conducted by Herbert Blomstedt in works by Berwald and Brahms; Mar 20, 21

STOCKHOLM

EXHIBITION
Moderna Museet
Tel: 46-8-5195 5200
www.modernamuseet.se
Aleksandr Rodchenko (1891-1956): major retrospective of the Russian Constructivist, who was one of the leaders of the post-revolutionary avant-garde; to May 24

TAMPERE

EXHIBITION
Sara Hildén Art Museum
Tel: 358-3-214 3134
www.tampere.fi/hilden
Tony Cragg: 33 sculptures and a large number of drawings by the British-born artist, now working in Germany. The works on display are from the period 1988-1998; to May 9

THE HAGUE

EXHIBITION
● Vonnets: designs and prints by Madeleine Vonnets, one of the most important couturiers of the 20th century, whose moulagre cutting technique strongly influenced the fashions of the period 1920-1940. Includes loans from the Louvre and private collections; from Mar 20 to Jun 6

TOKYO

CONCERTS
Sanjō Hall
Tel: 81-3-3584 9989
● Japan Shinsai Symphony Orchestra: conducted by Chosai Komatsu in works by Beethoven and Mendelssohn, with violin soloist Teiko Maehashi; Mar 20
● Tokyo Symphony: conducted by Kazuyoshi Akiyama in works by Haydn and Mahler; Mar 26
● Vienna Philharmonic Orchestra: lecture by Dr Clemens Hellsberg and chamber music by R. Strauss; Mar 22

VIENNA

EXHIBITIONS
Austrian Museum of Applied Arts
James Turrell: retrospective of the American artist who incorporates the elements into his architectural designs. Including two site-specific installations, the show also features photographs and drawings of the extinct volcano in which Turrell has been working since the 1970s; to Mar 21
Kunsthaus Wien
Tel: 43-1-712 0495
Jean-Michel Basquiat: Paintings and Works on Paper. 100 works on loan from the Mugrabi Collection make up the first show in Austria devoted to the black-hispanic US artist, who died in 1988 at the age of 27; to May 2

WASHER

OPERA
Wiener Staatsoper
Tel: 43-1-51444
Cavalleria Rusticana: by Mascagni/Pagliacci by Leoncavallo. Simone Young conducts a staging by Jean-Pierre Ponnelle; Mar 21, 24, 26

WASHINGTON

CONCERT
Kennedy Center Concert Hall
Tel: 1-202-467 4600
National Symphony Orchestra: conducted by Leonard Slatkin in the Elgar/Payne Symphony No. 3, and works by Mozart and Zwiliach. With pianists Katia and Mariette Labèque; Mar 20

EXHIBITION
Phillips Collection
Tel: 1-202-387 2151
● An American Century of Photography: From Dryplate to Digital. Works from the Hallmark Collection, by photographers including Alfred Stieglitz and Sally Mann; to Mar 28

OPERA
Washington Opera, Kennedy Center
Tel: 1-202-295 2400
www.dc-opera.org
● Sly: by Wolf-Ferrari. Conducted by Heinz Fricke in a new staging by Marta Domingo. Jose Carreras and Ian Delfino sing the title role; Mar 21, 22, 24
● Tristan and Isolde: by Wagner. Conducted by Heinz Fricke in a staging by Lotfi Mansouri, with designs by Mauro Pagano; Mar 20, 23

ZURICH

EXHIBITIONS
Kunststiftung
Kandinsky, Chagall, Malevich and the Russian Avant-Garde; to Apr 25

Arts Guide by Susanna Rustin
e-mail: susanna.rustin@ft.com
Additional listings supplied by Arthase
e-mail: arthase@ft.net

WEEKEND INVESTOR

WALL STREET

How reaching for the stars landed Seagram on its feet

Growth holds sway over value for investors, writes Richard Waters

Spare a thought for Edgar Bronfman Jr, chief executive of Seagram. For in his fall – and subsequent rise – lies a moral for all holders of US shares as the stock market launches itself once again into uncharted territory.

A scion of the family that controls the drinks and entertainment company, young Edgar was given a roasting on Wall Street three years ago for his first big attempt at deal-making: dumping an investment in the stolid business of chemicals to chase the illusory dream of Hollywood.

Things didn't work the way he had hoped. Almost as soon as Seagram unloaded \$3.8bn (£5.4bn) of stock in DuPont, the chemicals company's shares soared. Seagram's own stock, meanwhile, sagged. The stock market believed that the \$5.7bn he paid to get into the movie business through Universal Studios was simply too much and that he had no idea how to make money in Hollywood – a belief reinforced by Universal's slump at the box office.

These days, however, Bronfman does not look quite so dumb. And the millions of other shareholders who, in their own more modest ways, have followed a similar investment path are feeling equally smug.

The Seagram strategy was simple: swap an interest in a slow-growing industry such as chemicals for a fast-growing one like entertainment. What matter if entry to this potentially high-growth business came at a steep price? In the long run, it must be the right move.

This touches on an age-old investment debate that is particularly relevant now. Should you invest in stocks that seem to be relatively good value, based on their current earnings, or those that have huge growth potential, even if they do look expensive?

In this debate over growth versus value, growth has won hands down. In the latest headline rise of the Dow Jones Industrial Average, which has climbed from 3,000 only five years ago to pierce the 10,000 barrier for the first time this week, it has been the big growth stocks that have led the way.

The stock market's pursuit of growth has made Bronfman look less dumb – though he still has some way to go before his earlier bubble is completely vindicated. Since the middle of last year Seagram's shares have soared as DuPont's have slumped; Bronfman, and his shareholders, have finally come out ahead.

The chart shows the performance of the stars and the laggards – among the 30 stocks in the Dow Jones Industrial Average since the



New York traders celebrate the Dow passing the 10,000 mark

beginning of the 1980s. In this period, high growth has won hands down.

Big manufacturers such as Caterpillar and General Motors and commodity-based companies involved in paper, metals and chemicals are clustered at the bottom of the performance ranking. Other laggards have simply been ejected from the index: Bethlehem Steel and Texaco were replaced two years ago by companies in jazzier industries such as computing (Hewlett-Packard) and pharmaceuticals (Johnson & Johnson). The best returns have come from technology, pharmaceuticals, entertainment, branded goods that are known globally – all things for which demand has grown rapidly.

However, even strong companies in fast-growing industries can go astray, and it can be hard to live up to extremely high stock market valuations.

Two notable companies among the Dow's worst per-

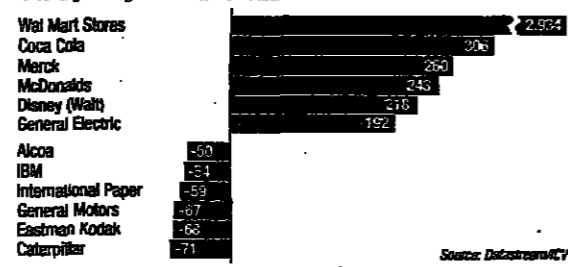
formers since 1980 are Eastman Kodak and IBM. Both were members of a group, known as the "Nifty Fifty", that was fashionable in investment circles in the 1970s. They were the large-growth stocks of their day.

Both IBM and Eastman Kodak squandered their chances in the 1980s, the first because it missed the rise of the personal computer, the second because it tried to branch out into businesses it didn't understand. But neither company disproves the central investment case: that a diversified holding of stocks in high-growth industries has been a good bet in this bull market.

For now, growth still holds sway over value on Wall Street. In fact, to judge by the craze for Internet stocks, it sometimes seems that the stock market has given up trying to calculate value altogether. But when this bull market is finally over, the value investors will again have their day.

Dow constituents: best and worst performers since Jan 1 1990

Percentage change relative to Dow index



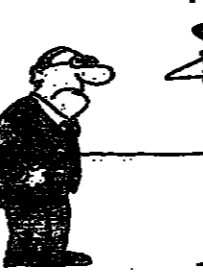
Source: DataStream

FUNNY MONEY

THERE'S A HITCH WITH MY EURO MORTGAGE.



WHAT'S THAT?



EDITH CRESSON'S DENTIST IN MY SPARE ROOM.



THE LONG VIEW BARRY RILEY

Long haul for Europe

'Europhoria' at the single currency's launch is yielding to stark truths



It's odd to remember that a year ago euro fever was in the rampage. Asia was in a mess and the American boom was forecast to stutter; but continental Europe was about to wake from slumber and take up the running, boosted by the economic pay-off from the single currency.

Euro bulls seemed to be everywhere in the stock markets. Cross-border mergers, they enthused, would unlock economies of scale from the sclerotic European economy and the application of shareholder value-based techniques would bring American-style dynamism to the stuttering corporate sector.

There was another brief burst of "europhoria" over the New Year. The euro hit the \$1.18 mark. But it has been downhill ever since. The exit of Oskar Lafontaine as German finance minister last week after his battle with the European Central Bank and, this week, the mass resignation of the European Commission have exposed the tensions within the "ever-closer Union".

That these upheavals should happen almost together, within weeks of the triumphal balloonfest that launched the euro, can be no coincidence. Squeezing within the Maastricht

guidelines has imposed a heavy cost. Now comes the fallout.

In stock market terms the rot set in last summer. During the first half of 1998 the Europe ex UK index outperformed Wall Street by some 13 per cent. Since then, however, the new Eurobloc index within the FT/S&P World Index series has fallen slightly in dollar terms and has underperformed the still buoyant US index by a fifth.

A year ago the European economy seemed to be picking up speed. Times had been tough: trying the

In the fourth quarter last year, however, the German economy hit a brick wall, mainly because of the delayed impact of the slump in Asian orders for capital goods. Most other European economies have avoided such bad a fate. In fact, an embarrassing boom in the "eurobubble" states at the periphery of the euro-zone is preventing the ECB from addressing the core problems of Germany and France (and Italy too).

Germany, in particular, is the sick economy of Europe, and crucially it has lost its

Germany is a candidate for becoming the Japan of Europe. It still has to recognise the full price it must pay for adopting the euro

Maastricht straitjacket on for size, with its 3 per cent limit on budget deficits, had proved uncomfortable in the late 1990s. But the adjustment seemed more or less complete. Interest rates were favourable and heading for record postwar lows. Euro-zone economic growth seemed to be accelerating towards 3 per cent for both this year and last, the best numbers seen since the German unification boom at the start of the decade.

power to set the economic agenda. Back in 1992, after all, the Bundesbank sacrificed the Exchange Rate Mechanism to squeezing out domestic overheating through high interest rates and an overpriced currency. This year, however, it was the ECB's turn to snub Mr Lafontaine.

There is a further irony: later in the 1990s the Kohl government promoted the Stability and Growth Pact in order to control financially

undisciplined states within the euro-zone, such as Italy. But Germany itself could turn out to be the first victim of this sado-masochistic mechanism for increasing tax rates in a slump. This week's ECB Monthly Bulletin named no names but warned that, with low growth, certain member states could breach the deficit limits.

Germany is a candidate for becoming the Japan of Europe. It lacks Japan's banking sector disasters but it seems to share an inability to restructure its economy and it still has to recognise the full price it must pay for adopting the euro. In 1999 Germany faces rising unemployment, deflation and a slowdown in economic growth to maybe less than 1.5 per cent.

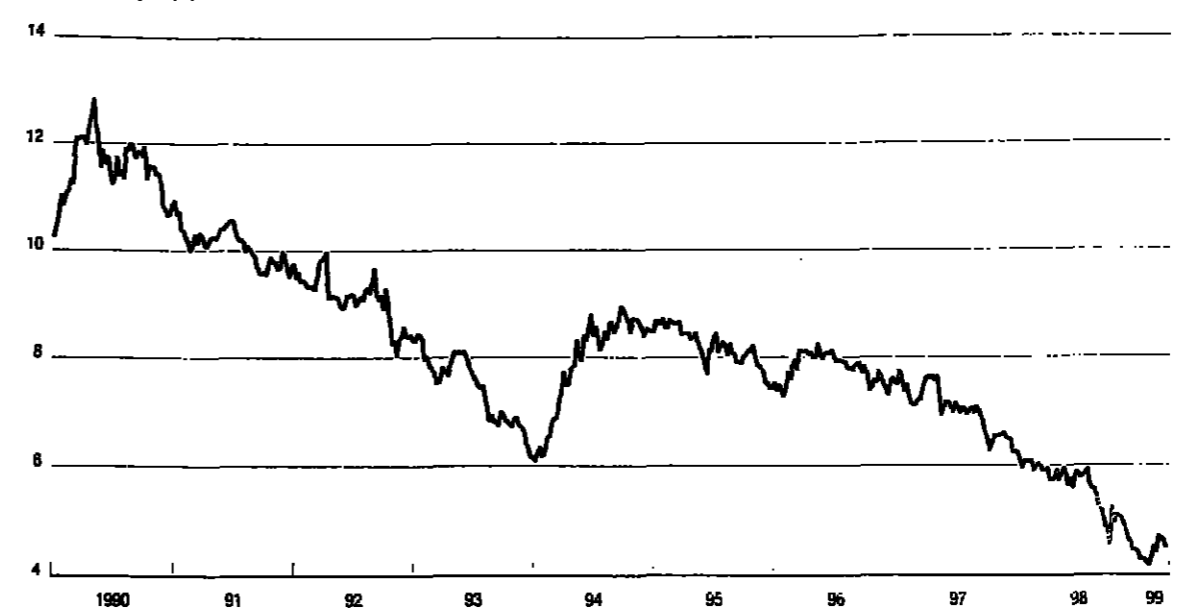
Poor growth has triggered the stock market's disillusion with Europe in general. In the second half of the 1990s it looks as though the US will have recorded average annual growth of 3.4 per cent over five years, Germany only half that. Trade tensions are growing as the US current account deficit expands but depressed core Europe remains under-consuming and in obstinate surplus. Those dreams of corporate restructuring are also

ONLOOKER PHILIP COGGAN

Gilts undergo quiet revolution

Contrary to received wisdom, government bonds are outperforming shares in the 1990s

A great decade for gilts
UK 10-year bond yield (%)



Source: DataStream

German government bonds of the same maturity.

In effect, once one has allowed for the UK's much higher short-term interest rates, medium-term UK government bonds are also more highly priced than German bonds.

Andrew Roberts, fixed-income strategist at Merrill Lynch, believes that the UK should have lower bond yields than Germany since it has a much tighter

found in the yield curve, the structure of interest rates over time. The current yield curve is inverted – market jargon for saying that short rates are higher than long rates. Base rates are 5.5 per cent, while the two-year issue offers about 4.8 per cent and the five-year 4.5 per cent. The curve then flattens out a bit, with the 10-year and 30-year issues both yielding around 4.4 per cent.

Traditionally, the yield curve is positive, or upward-sloping. Investors expect to receive a higher return for tying up their money for a long period, just as savers get a better rate from a building society's 60-day notice account than they do for instant access.

Low inflation has obviously played its

part. But in recent years the gilts market has benefited from three strong trends

monetary policy, a better fiscal policy, a more flexible labour market and a central bank that is less subject to political interference.

But the paradox is that, if the UK does join up for the euro, the 40 basis point spread could narrow sharply. Roberts points out that a single currency would allow pension funds to invest in European government bonds without foreign exchange risk, reducing their dependence on gilts. That would drive gilts – much sought-after by UK pension funds – yield about 40 basis points (0.4 of a percentage point) less than

curve is positive, or upward-sloping. Investors expect to receive a higher return for tying up their money for a long period, just as savers get a better rate from a building society's 60-day notice account than they do for instant access.

Inverted curves are associated with times of hardship, usually when the government, or central bank, has pushed up short-term rates to try to head off inflation. Investors in long-dated gilts recognise that the rise is temporary. History would suggest, therefore, that as the UK economy starts to rebound, as most people think it will later this year, the yield curve will become upward-sloping again. But it is hard to see that happening.

Few analysts are suggesting that the Bank of England will cut interest rates far enough to bring them down to long bond

yields; the consensus is for rates to drop to 5 per cent. And it is hard to see long yields rising above the 5 per cent level, given the pension fund demand described above. An inverted yield curve looks likely to last until the UK joins the euro.

But how likely is Euro membership? The financial markets seem to have assumed that Tony Blair will somehow wave a magic wand and persuade the UK electorate to abandon the pound. However, the opinion polls show that the public remains against the idea and the saga of the European Commission this week will have done nothing to encourage europhilia.

If the UK electorate voted against Euro, that would cause some damage to the gilt market. Investors would probably anticipate that interest rates would be higher in the long term than they would inside Euro and overseas holders might cut their exposure to the market rather than face the currency risk.

An oddity of the exercise is that the best possible economic argument for joining the euro would be that the UK economy had converged with that of Europe and thus it was appropriate for it to have the same level of interest rates. If convergence did occur, then UK interest rates should gradually fall to European levels before the decision to join the single currency was taken.

But that would probably wipe out the best possible political argument for joining the euro – a big cut in interest rates. What better

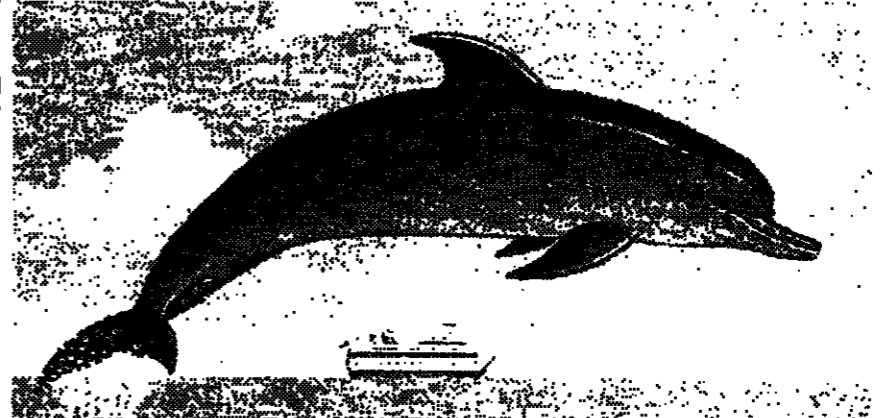
slogan could the prime minister have than "Join the euro and see your mortgage rates slashed"? If rates have already converged, the British electorate might decide they did not need the euro to have low rates.

Let us assume, however, that the UK does join the euro in 2002 and 2003 and slashes interest rates sharply just before adopting the currency. As in other convergence countries, such as Ireland, that seems likely to be very good indeed for both equities and the property market.

The distortions in the gilt market, mentioned above, should also prove beneficial for the stock market.

Low gilt yields mean there is less incentive for investors to switch out of equities and into bonds. They also increase the value of shares, according to the standard theory, which assumes that share is equal to the value of all future dividend payments, discounted at a rate (usually the bond yield) to the present day. The lower the bond yield, the lower the discount applied, and thus the higher the present value of the shares.

For the private investor, one interesting play might be to buy shares in property companies that stand at discounts to net asset value of 20 per cent and offer a pretty decent dividend yield. Property is usually a beneficiary of falling interest rates and commercial property yields quite a bit more than gilts today, which might attract some pension funds into the sector, pushing up asset values. philip.coggan@ft.com



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FT WEEKEND

EXCUSE MY FRENCH

Glorious days in Brussels for putting on a pantomime

In the final weeks of sparring between the media and former Euro commissioners, Rachel Johnson attends the annual press revue

Scotch eggs and ham sandwiches on a trestle table, a crush around the bargains in tight leather trousers... a smoke-filled auditorium. Sounds like a freshers' disco, doesn't it?

But no. This was the Brussels event of the season, the annual press revue, held recently in the municipal beige environs of a cultural centre within spitting distance of the European Commission.

Here, the British ambassador and his wife, David and Caroline Colvin, stood happily in line for their pints of Stella and paper plates of scotch eggs and coleslaw along with everyone else, even if they did have the Rolls-Royce double-decker outside for a quick getaway after the show.

It's been a bumper year for material to include in the panto - which was put on a month before the Commission resigned en masse this year. This year, as everyone acknowledged, the British-led pan-European team

who put it together was spoilt for choice.

There was Edith Cresson's dentist, the Commission whistleblower, Paul Van Buitenen, the censure vote from a newly muscled European Parliament, and endless tales of fraud, mismanagement and nepotism from one end of the Breydel building to the other.

But it wasn't just the wealth of juicy material that guaranteed standing room only on the night; this year's revue got the best pre-fight build-up from the Commission itself.

For months, individual commissioners had been taking pots at the press, in feeble retaliation against the

Lennox Lewis-like hail of blows it was receiving daily.

Cresson, erstwhile education commissioner, ascribed her troubles to a "very, very, very vast campaign orchestrated by the German media" and loopyly dismissed charges against her as evidence of a "far-right, anti-Jewish plot".

A spluttering Jacques Santer, former Commission president, spoke of a conspiracy in the Belgian media and threatened action against "a press cabal which tries to destabilise me".

And two former commissioners have filed lawsuits - one against Libération, the French newspaper, the other against the German magazine Focus.

But the relationship between the media and the Commission hit bottom with distribution of an unsigned internal memo from Cresson's spokesman, Jimmy Jamar, which compared the daily noon press briefing to a *corrida* - a bullfight.

Written in elegant French, it read as an institutional howl of pain.

In the memo, Jamar recommends singling out the troublemakers among the journalists - curiously, none from the normally stropic and sceptical British press - for rough treatment.

Luckily, a memo written by Sir Leon Brittan's spokesman, Nigel Gardner, was also in circulation. The media-friendly Gardner, who

used to work for the BBC, knew that the only way to sweeten the mood was to issue a self-flagellating mea culpa.

His paper, "Fraud, mismanagement and censure: where we went wrong with the media", contained some memorable passages.

"The *porte parole* often hadn't been allowed key information," he noted.

"Take the example of the guns kept in the Breydel." (In response to a question asked by a journalist at the noon briefing, the *porte parole* had denied there were any guns in the Commission building.) "Just hours later, we had to retract the denial," Gardner winced, after finding out that cops there were

machine-guns and rifles in the Breydel basement.

Well, you can imagine what fun Geoff Meade, the boyish doyen of the press corps and the panto's leading light, had with all this on stage - and this was before, don't forget, the whole lot of them resigned.

The CNN correspondent, Patricia Kelly, did a moody turn as Edith Cresson-Plaf, singing "Je Ne Regrette Rien" ("Resign? I do decline"). Lots of chunky male journalists, lobbyists and the like got to dress up in frocks and high heels.

But the star turn, for my money, was from Gardner and Louisewies Van der Laan, Commission spokespersons. Kitted out as terrorists, with Van

der Laan wearing a pair of very fetching black leather trousers, the pair cavorted around the auditorium and leapt about the stage brandishing fake machine guns at the audience, which included their boss, the head spokesperson Martine Reicherts, and Jimmy Jamar (of bullring memo fame) among the dozens of Eurocrats.

"We keep our guns in the Breydel! Press freedom can go to hell!" yelled Gardner and Van der Laan to the tune of the marching song in *The Dirty Dozen*.

"We are the Commission *porte parole*! Saving Santer is our goal! Day after day! One big mess! Keep Cresson out of the press!"

Now Cresson has resigned, she may want to revise her sporting offer to watch the video that the panto team produced of the show. It must be a cracker.

As I said, these were the panto's glory days. With a new, super-clean, European Parliament-elected Commission, we may never see their like again.

METROPOLIS

Colonel's circus and his tricks

Mark Huband is subjected to a diatribe from Libyan leader Muammar Gaddafi. It fails to move the masses

It was just beneath the Giza pyramids that I caught my first glimpse. Two hundred cars had crossed the border with Colonel Muammar Gaddafi, including an army truck with his home - a tent - rolled up in the back. From the moment the cavalcade snaked by, Egypt embarked on a week-long campaign to keep its Libyan neighbour occupied, for fear that idleness might breed grumbling and disaffection.

Nobody is really sure why Gaddafi takes such long holidays in Egypt. This was billed as an official visit, and indeed President Hosni Mubarak tried to convince him that now was the time to hand over the two men accused of masterminding the bombing of the airliner that crashed on to the Scottish town of Lockerbie. But once these ultimately fruitless chats were over, what else was there to discuss?

It mattered little to the colonel: he likes to talk, and talk, and talk. He has a sonorous voice, and obviously likes listening to it.

Despite the accusations of intolerance directed against his regime, he is a proponent of the freest kind of speech - as long as the speech is his, and is delivered uninterrupted.

First, it was the turn of Egypt's academic and intellectual elite, who were told once again that Libya had turned away from the Arab world, and was now concentrating on sub-Saharan Africa. Thank you very much, they thought. Phew.

"Pan-Arabism is a phoenix - a myth that does not exist," he told students at Cairo University. "My project of an Arab Federation attempts to breathe life into the lifeless body of Arab unity." Arab unity would not be a problem if it were not for leaders such as Gaddafi, who have little truck with people they don't agree with; his disaffected former foreign minister Mansour Kikhia was executed in Libya after being abducted from Cairo in 1998. His voice may be sonorous, but his harsh words were "an attempt to save pan-Arabism from a black fate... a disaster," he claimed, his abandonment of Arabism clearly more threat than fact.

Attempts to revamp such dead

ideas which regional leaders, particularly the Egyptian intellectual elite, dumped years ago, suggests that isolation must by now have reached beneath the colonel's skin.

Perhaps he had failed to notice that in Cairo the children of Arab unity now have children of their own. In the glass and steel office blocks of Cairo, it is this new generation which is privatising, liberalising and Thatcherising the very institutions their parents nationalised in the name of socialist-oriented Arab unity 30 years ago.

It must have been difficult to appreciate this from inside the colonel's tent, which he pitched in the garden of Cairo's glorious Qubba palace.

Like an ageing circus master trying to revive an old trick, which his hosts were too polite to say he is unlikely to perform with any grace, the colonel hobbled from the tent on the crutch he has used since he broke a leg many months ago. He stepped into the gleaming white limousine which had brought him from Libya, and decided to try to revive some of his old magic.

Next it was the turn of Egypt's farmers and labourers, upon whom the ever-philosophical Egyptian government had allowed their guest to be unleashed. In a huge, floral-painted big top he sat before the people of the Egyptian towns of Fayoum, Minya, and Beni Suef, and tried to bring back the spirit of the good old days.

"Arab unity is a reality

The colonel stepped into the gleaming white limousine which had brought him from Libya, and decided to try to revive some of his old magic

between the peoples of Egypt and Libya [and] only imaginary borders and colonial attempts to divide Arab ranks keep us apart. [These attempts] will not succeed in destroying historical ties and a united future," the leader told the farmers. He chose to meet them because it is said their ancestors had come from Libya. Forty young men had been



planted at the front of the crowd gathered in the big top which was erected beside Lake Karoun near el-Fayoum, south-west of Cairo. They led the cheering as the colonel and his troupe swept in. Two cheerleaders were dis-

expression. After 20 minutes of threats of unity in the rising heat, he turned and whispered in my ear. "This man might have ideas about making us all one. But have you seen the people with him? What do I have in common with them?"

Indeed, if one judges a person by his friends, then why not judge the Leader of the Revolution by his entourage. Most prominent were two glamorous African women, the famed bodyguards of the Gaddafi posse. Squeezed into military fatigues, they tottered on stiletto heels, running their fingers through long wet-look ringlets, the very image of an elite protection force.

But if the *cordon securitaire* offered by these two women somehow managed to be pierced, then a meat wall of goons straight out of central casting was present as a second tier.

They bore much similarity to those who guard Israeli prime ministers, US presidents, and all the other leaders of the world who have something to worry about.

After 45 minutes of deafening screams of approval from the pockets of vocal supporters, and near-total silence from the 2,000 farmers who sat behind them, Gaddafi's threat of unity with Egypt had clearly fallen on deaf ears. After 30 minutes the farmers had started to leave, more concerned to work their fields than join the troupe on the march to a federation in which they, too, would have the bizarre honour of global pariah status.

The Leader of the Fateh Revolution eventually got the message and limped off the stage.

The two women in their fatigues tottered behind him with expressions of apocalyptic seriousness on their faces, as if harm

to their leader implied the end of the world. Then came a diminutive bald man wearing a lopsided toupee dyed too black to be serious. He was followed by a Gaddafi lookalike, who must have been a family member, perhaps even a stand-in when need arose. Lastly were the young bloods who had cheered so heroically. For them, it was back on to the bus which had brought them, and off for a course of throat rejuvenation before the next appointment with demagoguery.

Meanwhile, I tried for an interview. I even approached the two glitzy women, who muttered in what sounded like Swahili, before they slid away into hiding behind the limousine. Then a man who had pushed his way past two larger-than-life members of the Egyptian presidential guard, took me by the arm and led me away. He asked who I was, what I wanted, where I was from.

His grip tightened as I admitted to being a national of the Great Satan's colonial islet. Images of Mansour Kikhia's fate swept through my mind, as I was told to go away. This, he said, was not an affair for people like me.

I said I had found the colonel's speech interesting. He just snarled. Perhaps he was one of those who, that very day, had been sentenced in absentia by a French court to life imprisonment for bombing a French passenger airliner over Niger in 1989.

He went to join the colonel, who was eating lunch beside the lake, while the meat wall of bodyguards was slung up to guard him. The show was over. The farmers had gone home a little disappointed. But tomorrow, who knows, there's bound to be one more trick to bring back the crowds.

ARCADIA

Taipei's weekenders reap the peace dividend

Peter Montagnon and Mure Dickie find the quiet rolling woodland of Kinmen Island an unlikely target for China's missiles

Alongside Panmunjom between North and South Korea, Taiwan's Kinmen Island is one of the few places left where the free world directly confronts a hostile dictatorship.

But while the two sides glower at each other in unrelenting hatred across the divide in Panmunjom, the mood in Kinmen is less sinister.

Known to many westerners as Quemoy, the island - or, more particularly, its sister, Little Kinmen - is just a couple of kilometres from the Chinese mainland at its closest point.

From the mainland, Chinese shells rained down on Kinmen for many years after the civil war and revolution of 1949. Now, deadly missiles point across the strait at Taiwan itself, about 100km away.

It is hard to believe that this could ever be a spot where global war might start. As Kinmen's young people began to leave in search of a better life, and its

farming and fishing economy went into decline, the Taiwanese authorities have encouraged tourism on the island from which most outsiders were banned until a few years ago.

Now Kinmen has become a desirable weekend retreat from the big-city hassle and pollution of Taiwan's capital, Taipei. Still largely unspoilt, it is a small land of gently rolling woodland and quiet roads, whose verges are lined with orange nasturtiums under a bright sun. It can be reached from Taipei by air in just 50 minutes for about NT\$8,000 (\$20), and increasing numbers of Taiwanese are making the trip.

What they find is not the bleak garrison that springs to mind. Soldiers are there in plenty - about 40,000, compared with the civilian population of 50,000 - yet their presence is discreet and shielded by the pinewoods and tall hedges of wild bougainvillea. Nor are they allowed to disrupt the local life. Outside their barracks, the conscripts are not even allowed a tiny glass of the sorghum liquor for which Kinmen is renowned, says Chang Kuo-tu, the local tourism director.

The result is an atmosphere as relaxed as an English Channel island. Few of the islanders are bothered by the missile threat.

Perhaps from a desire not to provoke, most vote for the ruling Kuomintang or even more conservative New Party rather than the Democratic Progressive party, which wants permanent and formal severance from China.

Otherwise life goes on regardless. Some have even learned to profit from hostilities. In a dusty workshop, Wu Zan-tung creates kitchen choppers from old shells from the mainland that are still being dug up around the island. "Every shell the Chinese communists fired gave us 60 cleavers," he proudly proclaims.

It is well known that the fisher-

men go backwards and forwards to the mainland. Smuggling is common and there are rumours - denied by the defence ministry in Taipei - that some of the food served in the military messes has found its way in from China.

Fujian province across the water still leaves its mark. Shops in the main village of Kinmen sell Fujian-style tribute sweets originally supposed to be a means of paying dues to the emperor. Local restaurants specialise in Fujian snacks: fishball soup, fried dumplings, juicy baby oysters and lumps of pigs' trotter set in brawn (which are actually tastier than they look).

The military presence means almost all the beaches are off limits to the public and most are fortified with anti-tank defences. Still, Kinmen's visitors find plenty to explore away from the coast.

The driving is easy, but the distances are short enough and the roads shaded enough to make this easy cycling country. A hired cycle or motor scooter is an ideal way to explore the old villages with their houses, fortified against marauding pirates, in styles going back to the Tang dynasty.

Besides the courtyard houses with their sparrow-tail roofs that

rise to a point at each end, there are vestiges of a more modern phenomenon: Edwardian villas built with money sent back by emigrants. Now mostly derelict, they embody a curious mixture of Asian traditions and European pretension. On the peeling stucco, elephants, dragons and bats mingle with baroque clusters of grapes.

For some the main attraction remains the birds. Kinmen is a staging post on the winter migration southwards from Siberia, and about 250 species from the hoopoe to the great egret with its elegant long neck are to be seen along its coastal marshes. Watching them, it is easy to forget that China and all those bristling missiles are there at all.

They are, of course. In the distance the dim outlines of Kinmen, Fujian's main port, loom out of the misty water, but it is hardly a menacing sight. "It looks especially nice at sunset," smiles Chang.